

BUSINESS WEEK

SEVEN STEPS TO VICTORY

YEAR
AGO



WEEK
AGO



START
OF
WAR
1939



Total
Sales

Sales to
Individuals

Billions of Dollars

First Second Third Fourth Fifth Sixth Seventh

The Seven War Loans

SINCE
WEEK
DEX

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The problem isn't jobs... it's production

NOBODY wants a *job*—he wants the good things in life a job will earn for him.

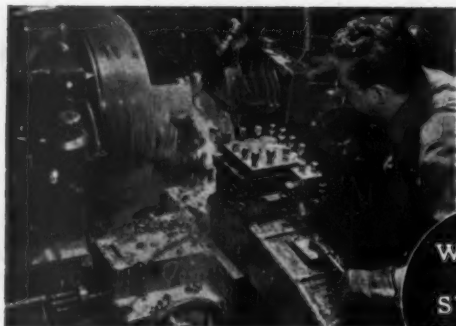
Since a workman can be paid only out of what he produces, it follows that the more he produces efficiently, the more his value and the more he can be paid.

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General
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MANAGING EDITOR

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ASSISTANT MANAGING EDITORS

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PUBLISHER

Paul Montgomery

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WASHINGTON BULLETIN

SPB BLOWUP AHEAD

Congress has been too busy lately to pick the lid off the surplus property disposal situation, but a real blowup is in the making. The deficiencies of the basic law on surplus disposal are bad enough by themselves to warrant a congressional overhaul. On top of this, the Surplus Property Board has been brewing feuds and personal fights that almost surely will boil over onto the Capitol lawn.

One significant indication was the abrupt resignation last week of Wesley A. Sturges, the board's general counsel. Sturges' departure was engineered by Col. Alfred E. Howse, administrator for the board. Sturges believed in a strict interpretation of the law and scrupulous observance of the restrictions it sets up in favor of small business, municipalities, and other groups. Howse indorses the preference system but wants to get ahead with sales, so is disposed to interpret the law freehand.

Two Against One

Howse has been running the board's affairs with a firm hand, ever since he took over last April (BW-Apr.7'45,p.22), but he owes his job to Edward H. Heller, the least known but most important of the three board members. Working quietly but hard-headedly, Heller has gathered up the threads of authority one by one. His fellow member, Robert A. Hurley, has coasted along with him. Chairman Guy M. Gillette, who had other ideas, lost to the Heller-Hurley team and resigned.

Confirmation of W. Stuart Symington, St. Louis industrialist, as the new chairman won't change the setup. If Symington tries to buck Heller and Hurley, the vote will be two to one against him. The board's staff is now organized so that practically everything clears through Howse, the administrator; the chairman is distinguished only by the fact that at board meetings he sits in the middle.

Problem of Organization

When the showdown in Congress finally comes, it probably will turn on two separate issues.

One will be the question of organization—whether to leave policy in the hands of the three-man board or centralize it in a single administrator. Gillette, after his battles with the other two members, came out strongly for the single executive. Symington, who has a reputation as an energetic admin-

istrator, probably will agree (BW-Jun.16'45,p.24). Heller likewise favors the one-man system, in theory. Hurley, who knows that he has no chance of being the administrator, is in no hurry to shoot his present job out from under him.

Must Settle on Policy

The other—and more fundamental—issue that Congress will have to tackle is the question of policy. Heller and his supporters will be able to give ample justification for the principles they are trying to apply. From an operating standpoint, it is practically impossible to sell any quantity of surpluses without running afoul of the vague injunctions of the law. But theoretical justification may not satisfy the congressmen who wrote those injunctions. They will fight any attempt to change the law.

A Senate subcommittee, headed by Sen. Joseph C. O'Mahoney, took a preliminary look at the problem last month but failed to get down to brass tacks. It may return to the job later this summer. If it doesn't some other committee will take over.

ANTI-INFLATION PROGRAM

Proposals for stringent credit controls to head off a boom in capital asset values (BW-Jun.9'45,p.7) have cleared Fred M. Vinson's Office of War Mobilization & Reconversion and are now before the Budget Bureau. Eventually, they probably will reach the White House for final O.K. or veto.

The program has only two main prongs. One would clamp down on real estate sales, requiring a cash payment of 35% on urban property, possibly 50% on farm land. The other would eliminate credit trading on the stock exchanges by using the Federal Reserve Board's power to require 100% margins.

If the Treasury is willing, the Administration may also ask Congress to tighten up the capital gains tax, either through higher rates or through a longer holding period. Congress will be cool to any such proposition.

Without a change in the capital gains tax, pure credit measures aren't likely to make much difference in asset values.

EXPORT PACTS STUDIED

Out of the Federal Trade Commission's probing into the Webb-Pomerene law, which permits the formation of

export pools (BW-Dec.30'44,p.58), has come a "recommendation" to the Florida Hard Rock & Phosphate Export Assn. that it rescind sundry foreign cartel agreements.

If the association doesn't comply with this recommendation, standard Webb-Pomerene procedure would force FTC to turn the case over to the Justice Dept. for prosecution under the anti-trust laws. FTC believes, however, that most of the agreements to which it objects already are dead anyhow.

A similar recommendation will be made shortly to the Phosphate Export Assn. Other fields which are now under FTC scrutiny for possible infractions of the Webb-Pomerene law include sulphur, carbon black, electrical apparatus, and condensed milk.

CEMENT FIRMS ACCUSED

If the government can't nail the cement industry for price-fixing one way, it hopes to do it another. The Justice Dept. has filed a complaint in Denver charging the Cement Institute and 89 member companies with a conspiracy to fix prices—principally through the use of a multiple basing-point system.

Meanwhile, a Federal Trade Commission action against the industry, which seeks abandonment of basing-point pricing, is holed up in the Chicago circuit court, apparently indefinitely (BW-Jul.22'44,p.100).

The Supreme Court's action in slapping down the single basing-point system employed in the corn products industry (BW-May5'45,p.22) probably helped the trust busters make up their minds. The Justice Dept. asks for dissolution of the Cement Institute and, in general, seeks much broader relief than the FTC suit. Justice has stepped into the fray with FTC's blessing.

It was in Denver that 19 cement firms were indicted, before the war, for fixing prices under the cloak of the Colorado fair trade law. This case finally culminated in pleas of nolo contendere, with the firms agreeing to abstain from such practices in the future (BW-Feb.21'42,p.48).

PROBLEM IN ARITHMETIC

War contractors who want to buy the government-owned equipment they now are using face a fancy problem in arithmetic. Most of the government's machine tools (page 44) are subject to a

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purchase option which gives the operator the right to buy at cost less 12% a year depreciation.

As an alternative, the Reconstruction Finance Corp.—the disposal agency for tools—will sell on the basis of a formula price which starts with 90% of cost and runs down to 50% at the end of three years. But the 50% is the floor on the formula price, while the option price can go down to zero if the contractor waits long enough.

The two systems give the same result at about the four-year mark. Before that, the formula is a better bet. Afterward, the option gives a lower price. Another consideration is that the options are written on an all-or-none basis, while under the formula the buyer can take what he wants and leave the rest.

The bulk of the government-owned machine tools will reach their minimum price under the formula toward the end of this year. From then on the options will look better and better by comparison.

LOCAL GROUPS PREFERRED

The Surplus Property Board has just taken the first step to give local enterprises a claim to preference in sales of government-owned plants. The board this week instructed the Reconstruction Finance Corp.—disposal agency for plants—to sell to a local group, even if it had to give long term credit up to 90%, rather than accept an equal cash offer from a would-be buyer which would "tend to concentrate economic power."

If the local outfit can't meet the outsider's price, even on liberal credit terms, RFC is to consult with the board. Both RFC and the board fervently hope that such a contingency never will arise.

FM SHIFT TO BE POSTWAR

Establishment of FM and television services, for which the Federal Communications Commission has announced spectrum allocations (BW—

Jun.30'45,p90), will not get under way soon.

The commission has started processing 420 applications already on file for FM stations and 119 for television, but WPB's freeze on construction probably will remain until Japan's surrender, and FCC will allow 60 days to elapse after that to permit all comers to file.

Best guess is that should Japan fold this year, there would be very few new FM stations or receivers built within a year.

WHEAT ALLOCATION?

Government allocation of wheat for all purposes, to assure a safe carryover in 1946, is a possibility.

Several factors now threaten to push wheat, basic wartime standby, over the borderline which separates adequate supply from stringency.

No. 1 is the corn crop. Unless it amounts to 3,000,000,000 bu., more

Byrnes' Job: Global U. S. Foreign Policy

James F. Byrnes, who thought that he had retired from a long, strenuous political career just a few days before the death of President Roosevelt, probably will remain Secretary of State, barring unforeseen circumstances, until President Truman's term expires in 1949.

• **Need for Stability**—Byrnes' nomination comes at the beginning of a period in which this country is dedicated, for better or worse, to vigorous, unrelenting participation in world affairs. This isn't a job for an in-and-outer, for a stopgap appointee; this point is particularly pertinent with respect to Byrnes. He has filled many important posts in public life as senator, Supreme Court justice, and Roosevelt's adviser and administrator of domestic affairs during the war years, but Byrnes is not highly schooled in foreign affairs. His debut in this field was his attendance at the Yalta conference.

One reason for his appointment is, of course, the knowledge of Roosevelt's aims in foreign policy, which he obtained during the time of the conference. Other reasons are his good relations with, and his understanding of, Congress, where he served for 24 years, and his Democratic

regularity and political experience.

• **Supported Present Policy**—At the Crimea conference, Roosevelt relied on Byrnes for guidance as to how Congress and the American public



would react to the proposals he was discussing with Churchill and Stalin. Byrnes supported enthusiastically the two principal decisions made there—to hold the United Nations conference, and to commit the United

States to intervention in European affairs. Those decisions today are the basis of American foreign policy.

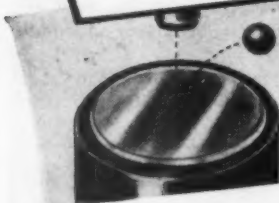
Byrnes' first administrative task as Secretary of State will be to find a capable under secretary to succeed Joseph C. Grew, who is ill and exhausted by the hard labors imposed on him during the San Francisco conference, when he was acting secretary. Men reported to be under consideration are William L. Clayton, assistant secretary in charge of economic affairs since last December; John G. Winant, ambassador to Great Britain; Alger Hiss, deputy director of the State Dept.'s Office of Special Political Affairs, who was secretary general for the San Francisco conference; and former Sen. Guy M. Gillette.

• **Reforms Expected**—Byrnes' incumbency at the State Dept. is expected to coincide with reforms in the foreign service to raise Yankee diplomacy to a stature commensurate with a foreign policy of global dimensions. Studies aimed at the reform have been started in the department under the direction of Julius C. Holmes, one of the assistant secretaries appointed on the "Stettinius team" last December.

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wheat will be fed to livestock next winter than last.

No. 2 is a wheat export volume that may total more than 200,000,000 bu. for European relief and commercial use.

No. 3 is a possible decline in wheat production estimates. Drought in the Southwest has been of no help to winter wheat now being harvested; spring wheat in the North still is far from harvest.

Thus, the government estimate of 1945-46 wheat supply (crop plus carryover) of 1,400,000,000 bu. may dwindle, and probable disappearance, put at 1,100,000,000 bu., is climbing to a point that would leave no carryover.

CAPITAL GAINS (AND LOSSES)

Rumors that Chester Bowles may be quitting OPA followed him out of Washington for a three weeks' vacation. Bowles took a pummeling from Congress over the price act extension (page 17)—even though he got most of what he wanted. A point to remember, however, is that Bowles' job isn't one President Truman would be anxious to fill with a party man.

Don Montgomery, consumers' counsel of the United Auto Workers (C.I.O.), is being mentioned as a possible chief of the Bureau of Standards, to succeed Dr. Lyman J. Briggs (page 21). Montgomery's championship of grade-labeling forced him out of the Agriculture Dept., where he served under Henry Wallace. Chances are that Wallace won't wave the red flag by bringing him back into the fold.

Chester Bowles is exhorting his OPA staff to get along with War Food Administration, now that WFA has the upper hand (page 17).

The Rural Electrification Administration's kitty for construction work in the new fiscal year is about \$300,000,000, but it won't be able to spend nearly all of it because of lack of poles.

Lagging statistics at last are catching up with the V-E Day cutbacks. Contract terminations during May, as reported by the Office of Contract Settlement, were \$5,100,000,000, which compares with \$1,800,000,000 in April.

WPB's order this week cutting allowable sheet steel inventories from 60 days to 45 days is an attempt to ease the biggest present bottleneck in reconversion.

—Business Week's
Washington Bureau

THE COVER

The Mighty Seventh War Loan really rang the bell. Exceeding its original goal by about \$8,000,000,000, it topped all previous loans (page 56).



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THE OUTLOOK

BUSINESS WEEK

JULY 7, 1945



American Industry entered the period of reconversion formally this week—and the occasion was marked on Tuesday by the announcement that the civilian cars had come off the production line at Ford.

Other auto companies (and other reconverting industries), like Ford, will get going pretty rapidly now.

Yet, even now that we're over the July 1 starting line, it's no cakewalk. **Steel and manpower aren't available in nearly enough volume.**

Ford's ability to get going so fast is a tribute to industrial ingenuity, to the acumen WPB has been banking on to ease us through the cutbacks.

The very speed, though, emphasizes another thing: **WPB will have to keep its quota lid tightly on automobile production for some time.**

Washington would have liked to let down the bars altogether because car manufacturing is a great maker of jobs. But auto purchasing agents always can talk turkey to steel salesmen.

The fear is that unlimited auto output would strangle other lines.

Reassurance for the present—and the future—was everywhere in the third quarterly report of the Office of War Mobilization & Reconversion.

But OWMR's director, Fred Vinson, was more concerned with the health of our economy after Japan's defeat (page 15) than with present reconversion. His talk of things that will ease the way now was in the nature of a preface to his program for the really big job after V-J Day.

Businessmen, meanwhile, are up against the tough facts of the day.

Technical problems of reconversion—terminations and settlements, surplus disposal, plant clearance, pricing—are giving more and more trouble.

Heretofore, the end of a war contract has meant placing of a new one more often than not. Often facilities and inventories could be used in the new job; extensive settlements weren't necessary.

Now all that's changing. Terminations now mean full settlements with Uncle Sam and moving his stuff off the floor.

Similarly, when we were just talking about reconversion, price tags on returning civilian goods were somewhat academic. Now they may mean the difference between staying in business or going broke. That's why OPA is feeling a rising tide of resentment toward its policies.

Fortunately, there still is time to clear some road blocks.

War Production Board officials still feel that there will be about a million tons of "free" steel this quarter—steel products that makers of civilian hard goods will be able to buy without priority assistance.

Even though hot weather and labor unrest may cut the third-quarter supply (BW—Jun. 16 '45, p9), steel trade observers are confident there will be plenty to go round in the fourth. And that's the critical period.

Not many reconverting plants—those that face complete change-overs as from tanks to autos, from aircraft parts to washing machines—will need much steel in the third quarter.

Meanwhile, WPB is driving a free rein—and watching the brakes.

Surest thing about WPB quotas and priorities and programing during reconversion is that all will be swept out as soon as manpower and steel are in good

THE OUTLOOK (Continued)

BUSINESS WEEK

JULY 7, 1945

supply. Meanwhile, differing treatment for various industries in this shuffle reflects several paramount considerations:

- (1) Urgency of need for a given product.
- (2) Volume of materials, particularly of steel, required.
- (3) Contribution to employment and purchasing power.

These criteria commonly give rise to rules that look contradictory.

Why, for example, should **construction** be kept under wraps, **autos** limited, and **farm implements** given tickets for enough steel to fill quotas that often are beyond the industry's present ability to produce?

All three provide a good deal of employment, use a lot of steel. But farm implements are of highest urgency for food output; autos bolster employment but have to be held in check because of materials; construction, extreme as is the present housing shortage, must wait on lumber.

High priorities are granted certain industries—**food and textile machinery**—where a few units can mean much to vital programs.

Then there are **electric irons**, just freed from all restrictions—and **electric range** and **refrigerator** manufacturers who are subject to both minimum and maximum quotas; the base quotas are supported by priorities but from that level to the ceiling it's a scramble for materials.

Lost tire production in the Akron strikes doesn't bring any closer the day when motorists may buy unrationed tires.

This highlights the shifting factors in such tight situations. A year ago, it was planned to take tires off rationing as soon as 2,000,000 a month could be allotted to civilians. We almost made it last August.

Now, however, everyone's tires are just that much older. The June allocation was 2,500,000 and July is put at the same level without any tires left over for A-card holders. **Thus, where 2,000,000 could have made up the deficiency last summer, 2,500,000 can't do it now.**

Moreover, it was expected that the July allotment would involve a draft on stocks. Strikes are making the draft just that much deeper.

Increased manufacture of trucks, buses, and motor cars for civilians in the last half of the year will raise needs for original equipment tires at the expense of replacements.

The total for passenger cars, however, will be only 1,250,000.

Just a little natural rubber from Borneo—and Netherlands interests this week promised some as soon as ships are available to haul it—would help the tire companies over some of their technical troubles.

Don't look for the capture of Balikpapan's oil wells and refineries to make any great difference in domestic gasoline and fuel oil supplies.

In quantity, this would be only a drop in the engines of war.

Balikpapan had a prewar output of about 6,500,000 barrels a year; the United States is producing 4,900,000 barrels a day.

Quantity alone, however, is not the only factor. A big tanker out of San Francisco will make the round trip to Okinawa in 50 days; the Okinawa-Borneo round trip would take only a quarter the time.

The domestic oil pinch is mostly a matter of transportation, so the freeing of a few tankers for intercoastal hauls would help a little.

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BUSINE

FIGURES OF THE WEEK

	\$ Latest Week	Preceding Week	Month Ago	6 Months Ago	Year Ago
THE INDEX (see chart below)	*223.0	†222.7	‡226.2	231.4	234.7

PRODUCTION

Steel Ingot Operations (% of capacity)	88.1	91.5	91.1	94.3	93.9
Production of Automobiles and Trucks	19,115	19,490	18,100	20,005	19,335
Engineering Const. Awards (Eng. News-Rec. 4-week daily av. in thousands)	\$7,759	\$7,942	\$5,839	\$4,725	\$4,809
Electric Power Output (million kilowatt-hours)	4,353	4,358	4,204	4,226	4,327
Crude Oil (daily average, 1,000 bbls.)	4,903	4,898	4,859	4,706	4,587
Bituminous Coal (daily average, 1,000 tons)	1,962	1,975	1,971	1,860	1,978

TRADE

Miscellaneous and L.C.L. Carloadings (daily average, 1,000 cars)	84	83	86	79	82
All Other Carloadings (daily average, 1,000 cars)	63	62	62	48	64
Money in Circulation (Wednesday series, millions)	\$26,628	\$26,536	\$26,500	\$25,335	\$22,421
Department Store Sales (change from same week of preceding year)	+21%	+19%	+9%	+35%	+15%
Business Failures (Dun & Bradstreet, number)	14	17	13	22	36

PRICES (Average for the week)

Spot Commodity Index (Moody's, Dec. 31, 1931=100)	256.3	256.9	257.2	254.5	249.1
Industrial Raw Materials (U. S. Bureau of Labor Statistics, Aug., 1939=100)	166.5	166.5	166.3	166.4	165.6
Domestic Farm Products (U. S. Bureau of Labor Statistics, Aug., 1939=100)	227.2	†227.8	228.2	223.3	224.3
‡Finished Steel Composite (Steel, ton)	\$58.27	\$58.27	\$58.27	\$56.73	\$56.73
‡Scrap Steel Composite (Iron Age, ton)	\$19.17	\$19.17	\$18.92	\$19.17	\$19.17
‡Copper (electrolytic, Connecticut Valley, lb.)	12.00¢	12.00¢	12.00¢	12.00¢	12.00¢
‡Wheat (Kansas City, bu.)	\$1.65	\$1.70	\$1.67	\$1.63	\$1.54
‡Sugar (raw, delivered New York, lb.)	3.75¢	3.75¢	3.75¢	3.75¢	3.74¢
Cotton (middling, ten designated markets, lb.)	22.48¢	22.62¢	22.71¢	21.72¢	21.81¢
‡Wool Tops (New York, lb.)	\$1.330	\$1.330	\$1.330	\$1.340	\$1.340
‡Rubber (ribbed smoked sheets, New York, lb.)	22.50¢	22.50¢	22.50¢	22.50¢	22.50¢

FINANCE

90 Stocks, Price Index (Standard & Poor's Corp.)	119.1	121.6	119.3	105.6	103.6
Medium Grade Corporate Bond Yield (30 Baa issues, Moody's)	3.27%	3.28%	3.31%	3.48%	3.57%
High Grade Corporate Bond Yield (30 Aaa issues, Moody's)	2.60%	2.61%	2.62%	2.70%	2.72%
Call Loans Renewal Rate, N. Y. Stock Exchange (daily average)	1.00%	1.00%	1.00%	1.00%	1.00%
Prime Commercial Paper, 4-to-6 months, N. Y. City (prevailing rate)	‡%	‡%	‡%	‡%	‡%

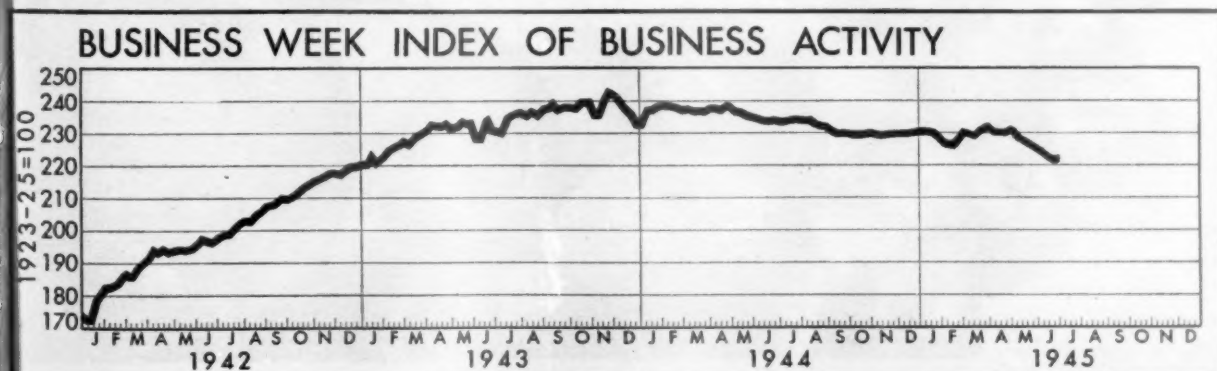
BANKING (Millions of dollars)

Demand Deposits Adjusted, reporting member banks	36,367	37,176	40,378	35,042	33,008
Total Loans and Investments, reporting member banks	63,537	63,005	57,541	59,737	55,036
Commercial and Agricultural Loans, reporting member banks	5,918	5,896	5,765	6,518	6,027
Securities Loans, reporting member banks	5,317	5,054	3,309	4,016	3,648
U. S. Gov't and Gov't Guaranteed Obligations Held, reporting member banks	46,543	46,334	42,842	43,803	39,917
Other Securities Held, reporting member banks	3,159	3,125	3,063	2,948	2,955
Excess Reserves, all member banks (Wednesday series)	1,300	1,400	1,100	1,406	1,239
Total Federal Reserve Credit Outstanding (Wednesday series)	22,211	22,287	22,258	19,821	15,423

† Preliminary, week ended June 30th. ‡ Revised. ‡ Ceiling fixed by government.

§ Date for "Latest Week" on each series on request.

¶ Index figures for 1945 have been revised (BW-Jun.30'45,p17).





WHAT TO DO WITH A MILLION APPLES

Pick 'em in the Fall—when they're big, juicy and delicious.

Sell 'em the following Spring—when demand is strong, and prices are good.

General Electric equipment in one apple storage warehouse (with a capacity of more than a million apples) maintains temperature between 34° and 36° F., maintains high relative humidity of 90% . . . thus keeps the apples firm and flavorful, prevents shrinkage, throughout the long months in storage.

Air conditioning for an apple warehouse is one of countless applications of G-E temperature-humidity control that are helping—or can help—to improve products or services, to lower production costs, to reduce absenteeism. In *your* plant, do you need local or spot cooling? Temperature and humidity control of storage space . . . to provide economies in handling or working of raw materials? Refrigeration or air conditioning to speed processing? Then SEE G-E as one of the first steps in your reconversion program.

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"THE WORLD TODAY," News, Monday through Friday, 6:45 p. m., E W T, C B S

Vinson Report: Postwar Signpost

Nine-point domestic program for the Truman Administration, proclaimed by Director of War Mobilization & Reconversion in his quarterly statement, is first official peacetime guide for business.

The principles that Fred M. Vinson, Director of War Mobilization & Reconversion, has just set up in his quarterly report comprise the first official statement of a domestic postwar program for the U. S.

It is this program—or some recognizable variation of it—that will guide government actions over the next three or four years at least. It is this program that will give the Truman regime its own peculiar quality.

• **Peacetime Agenda**—Vinson's report, designed for popular consumption, is essentially a promotion piece, not a bureaucrat's routine accounting.

Although the greater part of the report is devoted to an appraisal of the present economic situation, on which Vinson has little to say that has not already been said, it breaks new ground in setting an Administration program for the period following the defeat of Japan.

On the assumption that the U. S. must maintain a high production, full-employment economy after the war, Vinson has drafted "a nine-point agenda" from which "a postwar economic charter for a steadily rising American living standard must be built." Briefly, his program shapes up like this:

• **Taxation**—Overhaul of the tax system is "the foundation of our entire program to reach and maintain full employment." Taxes must be levied so that they neither restrain investment nor destroy mass markets. They must be fair among all classes. They must be integrated with the whole fiscal policy of the government.

As Vinson sees it, this means that the personal income tax, with a broad base, must be the backbone of the revenue system. Sales taxes and excises should be cut to the minimum. The excess-profits tax should end promptly after V-J Day, and business taxes should be modified, "bearing in mind, on the one hand, the revenue needs of the government and, on the other hand, the incentive for risk-taking and expansion to be gained by modification."

• **Small Business**—To meet the small businessman's need for technical knowledge, the government should provide

an information and advisory service comparable to the informational work of the Dept. of Agriculture for farmers. To meet his needs for working capital, it should continue its wartime system of guaranteeing loans or lending direct to small firms.

• **Competition**—Vigorous enforcement of the antitrust laws is a partial answer to the problem of preventing monopoly. The maximum budget of the Antitrust Division of the Justice Dept., Vinson acidly remarks, was about what we spend on the Smithsonian Institution. As soon as the war production situation permits, the government's antitrust program should be strengthened. Likewise, Congress should consider an overhaul of the patent system to insure that it does not serve as a means of "dividing markets, restricting output, or setting prices." Along with all this should go "a positive program to encourage com-

petition." An antimonopoly program alone is not enough.

• **Labor**—"American business is coming to realize that a high wage policy is in the long-run interest of everyone." Labor will continue to bargain for higher wages, but we must try to substitute arbitration for strikes.

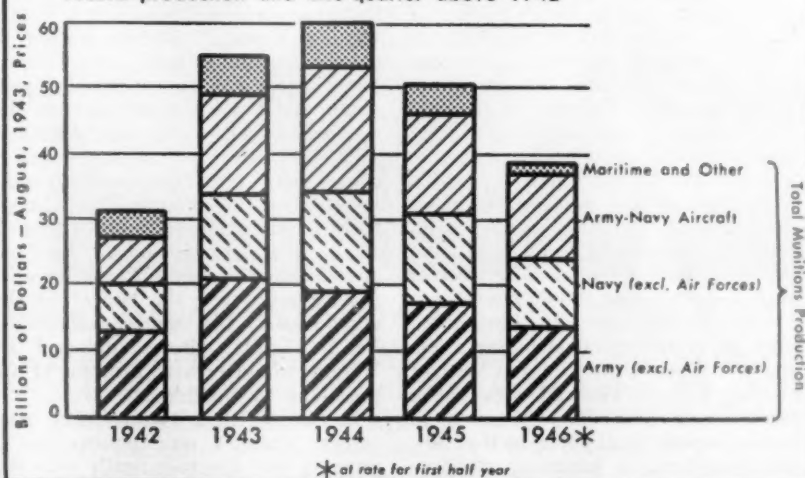
• **Foreign Trade**—There must be free international movement of goods and capital. Specifically, the reciprocal tariff adjustment program should be continued, the Bretton Woods program approved, the Export-Import Bank expanded, and the legislation prohibiting loans to governments in default to the U. S. repealed.

• **Social Security**—We shall need an adequate social insurance program not only as a humanitarian measure but as a factor in protecting mass purchasing power. "We need to consider broadening the coverage of unemployment compensation; old-age and survivors' insurance; the provision of sickness and disability benefits; provision of better medical care; the institution of more adequate grants-in-aid to the states for hospitals and health centers; and better equalization of educational opportunities."

• **Farm Program**—"The basis of any sound prosperity for farmers must be

A SMALLER JOB, YET A BIG ONE

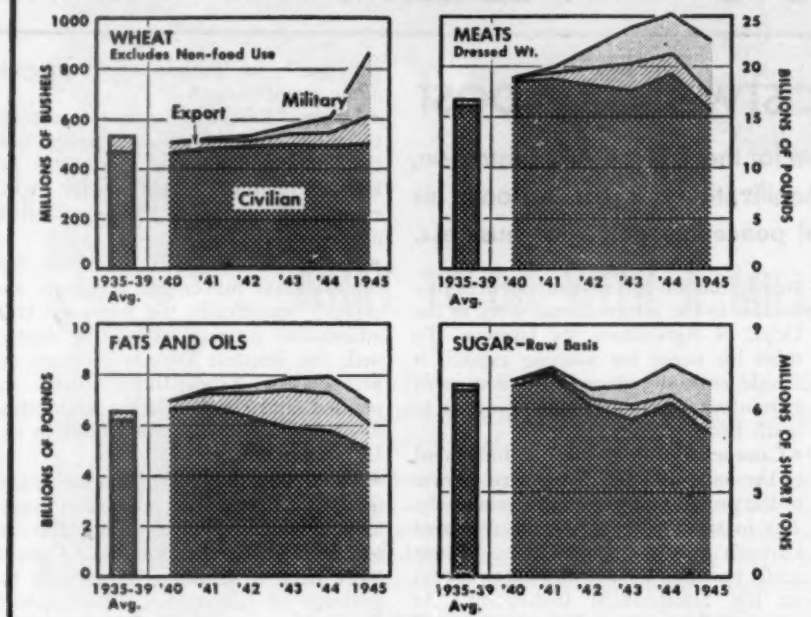
Munitions schedules for 1946 are only one-third below last year's record production and one-quarter above 1942



Official estimates of the requirements for one-front warfare put munitions schedules for 1946 about one-third below the 1944 record and about 25% under 1945. The biggest drop percentagewise, as shown in the Vinson report, is in the merchant ship program, now scheduled to wind up entirely about the middle of 1946. In terms of total production the most important cuts are in the programs of the Army Service Forces and Army Air Forces.

LEAN YEAR FOR FOUR STAPLE FOODS

Total supply higher than prewar, but exports and military use cut civilians share



Estimates of food supply, as reported by War Mobilization Director Fred Vinson, confirm the guesses of civilians that 1945 is a lean year. Although wheat supply has expanded greatly, U.S. civilians have no particular need or opportunity to increase their consumption of this food. In three other key foods—fats and oils, meats, and sugar—supply fell off sharply this year, and the civilian's share dropped well below the 1935-1939 average.

the maintenance of our business economy at or near full employment." The government must stand back of its wartime commitments to farmers, but in some cases it may be better to give an outright subsidy instead of trying to prop up faltering prices on agricultural commodities. Subsidies put the farmer in a better position in foreign markets, and they make it easy to steer agriculture away from the unprofitable crops.

• **Public Works and Construction**—To meet our postwar housing needs we should build 1,250,000 new nonfarm dwellings a year—one-third more than the best year on record. The level of postwar construction should reach about \$15,000,000,000 annually. Foresighted plans for construction—including a federal public works program and low-cost housing projects financed with public funds—are essential. These plans should be tied in with fiscal policy so that they will contribute to economic stabilization at a high level.

"The construction industry appears to have lagged behind American business as a whole in technological advances and in progressively reducing the cost of its product to the public, thus increasing markets." The industry

should be examined carefully with an eye to cleaning up restrictive practices in materials, labor, and financing.

• **Fiscal Policy**—The federal postwar budget probably will run about \$25,000,000,000 a year. "Whether or not to manage the budget is no issue. It must be managed." We must develop a consistent fiscal policy that considers the economic effects of each type of tax and each expenditure, both separately and as a package. "The Administration must be prepared to submit a government budget framed and analyzed in relation to the total national budget; the Congress must be equipped to consider and, if necessary, revise the budget on the same basis." The Murray bill (BW-Feb. 10 '45, p. 21), already indorsed by Vinson, would provide a means of approaching this problem.

• **In Line With a Trend**—Taken altogether, Vinson's nine points form a program that dovetails neatly with the temper of his chief, President Truman, and with the trend of thought in Congress. Although still unofficial in the strict sense, it will become more and more the platform on which the Truman Administration stands.

In his chapters on the present situa-

tion, Vinson reports that military cutbacks are coming along about on schedule, that controls on materials and manpower are being relaxed as planned, that transportation, food, textiles, and lumber remain the tightest spots in the economy. He paves the way for an adjustment in hourly wage rates to compensate for the elimination of overtime and the consequent drop in take-home (BW-Jun. 23 '45, p. 7).

"Many major industries," Vinson concludes, "will be reconverted by Jan. 1, and the pipelines of civilian items will be gradually filling sufficiently to permit a small flow to reach the hands of consumers, but full-scale production of such items as automobiles, and refrigerators will not be reached before the latter part of 1946, and possibly not then if Japan has not been defeated."

Alky Dream Ends

Nebraskans reported in deal to sell huge Omaha plant once counted on as outlet for postwar surplus grain crop.

Midwest farmers were gravely speculating this week on the postwar effect on their pocketbooks of negotiations for sale of the assets of Farm Crop Processing Corp., operator of the government's \$6,750,000 Omaha industrial alcohol plant.

• **End of a Dream**—The little group of aggressive Nebraska businessmen and farmers who organized Farm Crop Processing in 1943 (BW-Jun. 19 '43, p. 63) tacitly admitted last week that the sale was in the picture but refused to discuss reports that the buyer was one of the big distillery companies—Schenley was the one most widely mentioned—that the deal would mean \$1,000,000 for an original \$100,000 investment.

The sale was presumably prompted by the assumption that the future of the industrial alcohol business is too uncertain for an "independent," and the government's wartime demand for synthetic rubber tapers off. And in the assumption midwest farmers saw the end of their dream that a locally controlled alcohol plant—perhaps one day even a cooperative—might offer a permanent outlet for their surplus grain crop in the form of alcohol for a wide variety of chemurgic products. Another reason is put to the Omaha group for selling out is that the operation has been unprofitable, and a sale apparently would be to their advantage in the face of renegotiation.

• **Behind the Deal**—As soon as rumors of the deal began circulating, wide-

spread speculation was immediately touched off about the significance of such a move:

Did it mean that the big distillers were getting ready to take over potential postwar competition; absorb the 100,000,000-gal. annual plant capacity the government built in 1943 to boost the alcohol flow for synthetic rubber? The same distillery interests which are linked with the purchase of the Omaha plant are reported in Washington to be interested in the Defense Plant Corp. grain alcohol operation at Muscatine, Iowa.

Did it mean that the big distillers were moving toward acquisition of the government plants? If so, would they keep them operating, or eventually close them down?

• **A 25,000,000-Gallon Capacity**—The Omaha plant is now turning out industrial alcohol at the rate of 25,000,000 gal. yearly for the government and consuming 1,000,000 bu. of grain every 30 days. It was built by Defense Plant Corp. following recommendations of the Senate's Gillette committee that grain and wood distillation be utilized in order to meet wartime rubber requirements.

• **Outlet for Surplus Grain**—Operators of the plant stressed that in addition to meeting an urgent war need, their operations would help solve the grain surplus problems of their area.

They worked aggressively to develop byproducts for future stability and lower alcohol costs. Their first step in that direction was installation of a live-stock feed recovery department—cutting the cost of alcohol 10¢ a gal.—for which the DPC finally approved \$260,000 only ten days ago.

The sale agreement reportedly protects these programs in the interest of midwestern farmers, so far as possible.

• **New Products Pledged**—The purchaser was said to have agreed to invest additional private capital to develop a dry ice department, utilizing carbon dioxide from the mash. The Farm Crops group unsuccessfully sought DPC funds, claiming 150 tons daily of dry ice could be produced to cut alcohol costs further.

Assets of the corporation include its stock, the government's operating contract, and an option to purchase the plant, which DPC listed several months ago as available for sale.

A separate corporation generally held by the same stockholders as Farm Crops Processing, which has just begun production of a bran mold to be used as a more economical substitute for malt, is not included in the reported deal. This new process is being carried on at a former hemp plant at Eagle Grove, Iowa.

OPA's New Lease

Price controllers will try to streamline administration and to remove as many reconversion obstacles as practicable.

The extension of price-wage control placed business on notice that for another year, at least, it must reckon with an OPA whose legal powers were left virtually intact, but in whose administrative policy significant changes are forthcoming.

• **Some Controls Will End**—Within the next four months, OPA will make some businessmen happy and ease its own administrative load by lifting price controls from a wide variety of goods. Commodities so freed will be those which are in sufficient supply to meet demand, and with a reasonable expectation of remaining so.

While the long tussle on Capitol Hill resulted in negligible amendment to the price control law, OPA's policies, like other aspects of the war program, are being reoriented to take account of Germany's collapse and the need for

facilitating full production of civilian goods.

• **Administrative Policy**—An increasingly liberal administration of price control will be applied wherever it appears that the result will be increased production with no increase in the average family's cost of living. Competition will be depended upon to keep small business, particularly in the manufacturing field, in line. Hardship cases, where manufacturers are being forced to produce at a loss under existing ceilings, will receive consideration.

In the category of commodities which are in supply sufficient to meet demand are such basic materials as aluminum and magnesium. Similarly classified are manufactured articles, production of which was vastly multiplied for war needs, in which a surplus will develop when cutbacks take effect. Metal stampings are a possible example of the latter.

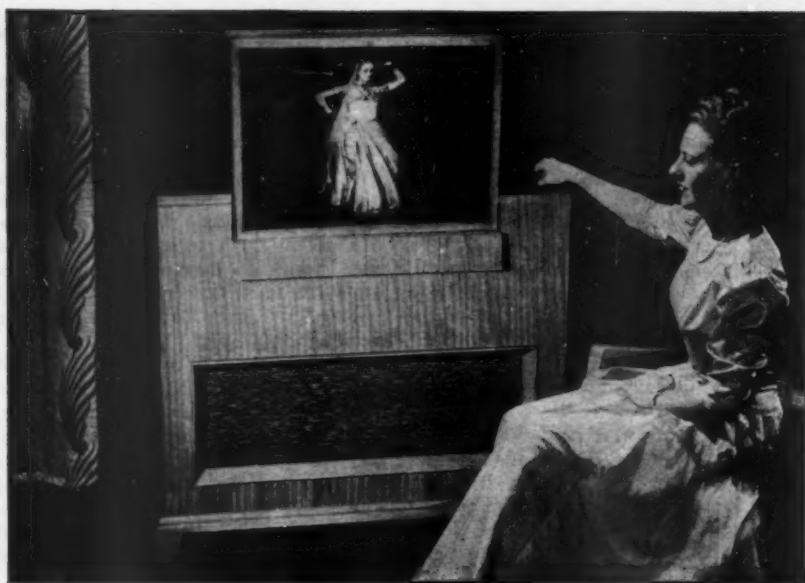
Ceilings in these fields probably will be suspended for six months or more, then dropped entirely if prices have stayed in line.

• **Luxuries and Novelties**—Since OPA regards its main job as one of maintaining general stabilization, it may lift entirely, with no suspension period, the



SPRAYING OFF EXCESS POWER

Shooting out from Fontana's spillways, excess waters from Tennessee Valley Authority's newest dam (BW—Jan.27'45,p32) are dispersed into a vast spray to reduce erosion. Twin tunnels, 34 ft. in diameter, channel the water through rock. Instead of plunging into the river, where it might threaten the dam structure by eroding the riverbed, each stream spills into a shallow bucket above the river which deflects the water into the air. Still in the testing stage, the tunnels at maximum flow will discharge 200,000 cu.ft. of water traveling 150 ft. per sec. into a fanlike spray 100 feet high and extending 400 ft. downstream. The deflector system, worked out in TVA's hydraulic laboratory, has the merit of simplicity, of being accessible for repairs when not in use.



READJUSTING ITS SIGHTS FOR PEACE

With the showing of its new large screen receiver (above), General Electric served notice this week that it intends to compete in the postwar home television set market. The company cites its experience in radar as responsible, to some extent, for development of the set which uses a 5-in. cathode ray tube, parabolic mirror, correcting lens, and flat mirror to project an image to a 16x22-in. screen. G.E.'s unveiling followed by months the initial showing of RCA's receiver (BW—Mar.24'45,p20), whose principal components are essentially the same with exception of a smaller cathode ray tube, a slightly smaller screen (BW—Nov.25'44,p19). As added attraction, however, G.E. demonstrated its new sound reproducing system, to which it attributed perfect tonal balance, freedom from chatter and needle scratch, and slated it for G.E. automatic radio-phonographs in all price lines when civilian production is resumed. No technical details of the new sound system were disclosed.

controls on luxuries, novelties, and other items which do not figure prominently in the cost of living. Costume jewelry is a good example.

Liberalization of controls may also be expected for the low-end goods, cheaper items in price lines, which might cost less even at increased prices than the substitutes to which consumers would be driven if the low-end items were driven off the market by price controls.

• **Would Shun Complications**—OPA is particularly anxious to abolish controls on goods which involve a complicated job of "in-line" pricing (new products for which is sought a price "in line" with that of the nearest competitor). Prices of most of these goods are inflated, anyhow.

The general reconversion price policies laid out by Price Administrator Chester Bowles some weeks ago (BW—May19'45,p19) still stand, and OPA's objective is still to get as much reconversion as possible at 1942 prices. How-

ever, these policies probably will be liberally interpreted. OPA is sensitive to charges that clumsy pricing procedures—delay, a stiff-necked attitude—have been impeding reconversion. Field offices, which meet the problem at the grassroots, are needling Washington.

• **For Small Businesses**—OPA now has in final form a regulation which will provide for semiautomatic reconversion pricing for small businesses, i.e., those with an annual volume of less than \$200,000 (original plans were to use \$100,000 as the cutoff point). Presumably they will be subject to an eventual audit, but OPA is counting on competition to keep them within bounds.

Another regulation will provide for special hardship cases, firms which cannot reconvert profitably under the industry-wide adjustments worked out by OPA. They will be entitled to prices covering their total 1941 costs, individually adjusted for wartime increases in wages and materials costs, plus half

their industry's average 1936-39 profit. The same formula will be available to a reconverting manufacturer of an item like furniture who cannot come back into civilian production under the price structure prevailing among his competitors. It will also be used wherever, for one reason or another, industry-wide pricing is not feasible.

• **A Post-Recovery Provision**—Finally, OPA is considering a "bail-out" provision which could be used to succor any manufacturer who was operating in the red and blamed OPA for his predicament. Anybody in this predicament might be permitted to recover total costs, provided this didn't interfere too drastically with retail ceilings. This type of help has been available so far only to makers of essential goods who have been certified by OPA to WPB.

Business will want to watch one amendment to the price control law. This is the measure which gives Secretary of Agriculture Clinton P. Anderson veto power over food pricing. The law makes it clear that Anderson's authority is superior to OPA's. It isn't so clear on the role to be played by the Office of Economic Stabilization which, in the past, has acted as an umpire in OPA-War Food Administration disputes.

• **Without a Fight**—There's every indication that President Truman intends to give more authority to Anderson, letting the role of OES dwindle. But OES (which can usually be counted on to line up alongside OPA) may not give in without a struggle.

U. S. HOUSING EXCLUDED

Alabama's populous and industrial Jefferson County, which contains Birmingham, has clamped the lid on further federal housing projects in a surprise legislative move applauded by some citizens in the name of free enterprise. Most residents, however, especially organized labor, appear anything but happy about the action.

Three members of Jefferson County's seven-man legislative delegation at Montgomery are actively engaged in the real estate business. Two bills were introduced in the lower house a few weeks ago ostensibly to give private real estate operators an even break in competition with federal housing. The bills were through both houses before an obscure clause prohibiting further federal low-cost housing in the Birmingham area (slum center of the state) attracted much notice.

Too late, many Jefferson County citizens protested at a heated hearing before the legislative delegation. Gov. Chauncey Sparks signed the bills after warning the sponsors that they might regret the move in event of another depression.

A New Mesabi?

M. A. Hanna Co. provides know-how for exploration of what may prove to be iron ore bonanza in Labrador wilds.

Deep in the wilderness of Labrador and eastern Quebec, some 300 miles north of the Gulf of the St. Lawrence, geologists are probing what may well prove to be the largest high-grade iron ore find in North America since discovery of the fabulous Lake Superior deposits.

• **Of Bessemer Grade**—Nine ore deposits and three outcrops have been discovered in the Newfoundland-controlled area, 15 deposits in the adjoining Quebec region. Average grade of the Newfoundland ore is 63.2% combined iron and manganese; of the Quebec ore, 62% iron and manganese. Practically all are of bessemer grade, (low in phosphorus). The iron-bearing rock extends in a belt 40 to 50 miles wide and 350 miles long.

There is also promise that the region

may contain nonferrous metals. Preliminary work already has uncovered a showing of zinc, copper, and lead, with some values in gold and silver.

• **Taking Notice**—Steelmakers are watching this development with growing interest, for two major reasons:

(1) Exhaustion of the great Mesabi ore deposits of northern Minnesota, now the chief source of United States ore, is possible in a matter of years (BW—Sep. 4 '43, p65); and the steel industry, with its tremendous plant investment, must be assured a continuing ore source.

(2) The Labrador-Quebec ore could be made reasonably accessible to existing blast furnaces, through construction of a railroad to the St. Lawrence. From there the ore could move by water either to the mills of the Great Lakes region or to Atlantic coast smelters.

• **Competitive Angle**—Steelmakers other than U. S. Steel Corp. who obtain their major ore requirements from the Minnesota deposits have an added interest. Roughly two-thirds of the Minnesota reserves are controlled by Big Steel, which means the rest of the industry will be short on ore first.

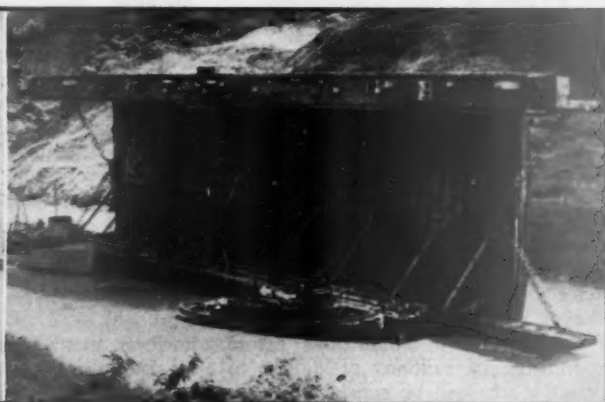
Actual extent and size of the Labrador-Quebec deposits cannot be determined with any accuracy yet, for exploration is still in its infancy. The most promising ore body announced to date is one found in the Sawyer Lake region. There diamond drilling operations have proved a body of 68.4% iron to a depth of at least 220 ft. with a minimum of 30,000 tons of ore per vertical foot. Other known deposits remain to be tested.

• **A Hanna Project**—Participation of rich and conservative M. A. Hanna Co. of Cleveland in the exploration and mapping work on the new deposits is regarded as adding weight to the potential importance of the ore body. For Hanna is not given to risky wildcatting; it backs only those projects that have reasonable certainty of being successful.

At present the owner of some 25 iron producing mines scattered through Minnesota, Michigan, Missouri, and New York, Hanna has been engaged in mining for 75 years. It also has sizable investments in copper, coal, and rayon, plus a one-fourth interest in money-making National Steel Corp. (Weirton Steel in the Pittsburgh dis-

ON THE BEAM

Cradling a damaged battleship, a huge floating drydock (right) is typical of those tendering hospital aid to battered ships in the Pacific (BW—May 5 '45, p66). Getting the big pontoon structure through the Panama Canal presented a major problem. To solve it, Seabees tilted the craft on its beam by pumping water into one side, and weighting it with additional water-filled pontoon units (lower left). Thus hoisted, it was towed through the canal (lower right) to open waters. There, it was pumped out, the pontoons unlashed, and the giant righted.





A belt of iron-bearing rock 40 to 50 miles wide and 350 miles long, situated in western Labrador and adjoining Quebec, is the newest major iron ore find in North America. Exploration is under way to estimate the available quantity of ore. Important factor: It is reasonably accessible by water to principal U.S. steel centers.

trict and Great Lakes Steel in Detroit).

• **A Minority Interest**—Hanna has acquired a minority interest in Labrador Mining & Exploration Co., holding an area of some 20,000 sq. mi. in Labrador, and in Hollinger North Shore Exploration Co., Ltd., which has licensed 3,900 sq. mi. from the Province of Quebec. Both are subsidiaries of Hollinger North Shore Exploration Co., Ltd., which has licensed 3,900 sq. mi. from the Province of Quebec. Both are subsidiaries of Hollinger Consolidated Gold Mines, Ltd., Montreal. In this setup it is the Hanna Co. which has the know-how for developing iron mines, although it will act only in an advisory capacity.

A handy asset to Hanna, in case the deposits pan out as is hoped, will be the 14 ore boats it now operates on the Great Lakes. Also advantageous to Hanna, because of its interest in National Steel, is the fact that most of the ore is of bessemer quality, particularly desirable for the types of steel National makes.

• **As Hanna Sees It**—In keeping with Hanna's traditional conservatism, H. L. Pierce of the firm's ore department predicts it will take a proved deposit of at least half a billion tons before expenditure of millions of dollars to open the area will be considered feasi-

ble. (By comparison, some 1,300,000,000 tons of known high-grade ore remain in Minnesota.)

One such expense would be the \$25,000,000 to \$40,000,000 cost of building a railroad from the remote ore region to tidewater. There is, however, abundant waterpower in the immediate area which could be harnessed for the most ambitious mining operation.

• **Taking No Chance**—Hanna, along with other mining companies, has seen an alarming shrinkage in its ore reserves since 1929—particularly during the past four years of heavy war demand. It is taking no chance on being left out in the event the Labrador-Quebec find proves a second Mesabi.

But Hanna's ore experts will give odds that iron ore won't be mined commercially in that area for some years to come. Few would argue this contention; but steel makers have to be certain of ore reserves years in advance of expected use. That's why these new deposits hold such potential importance.

Drug Revolution

Sweeping regulations on labeling go into effect Oct. 10. Products divided into two new classes for FDA control.

Come Oct. 10, the ancient "Rx" abbreviation for "prescription" is going to have a specific meaning. On that date new regulations will become mandatory after a year of grace in which manufacturers have been revising labels on hundreds of drug products, both so-called over-the-counter branded items and those which, in the future, may be sold only on prescription.

The change is said by some authorities to be revolutionizing the drug business.

• **Some Drugs Exempted**—Under the Federal Food, Drug & Cosmetic Act of 1938, drugs are required to bear adequate directions for use and warnings against misuse in pathological conditions, or in dosages which would be unsafe. Drugs sold on prescription have been exempted to date, if they bear the legend: "To be used only by or on prescription."

With the exception of the manufacturers of advertised proprietary drugs, most drug producers have made extensive use of the so-called "prescription legend" on their labels. Through word of mouth advertising, however, many of these so-called "ethical specialties" have become popular sellers over the counter. Retail drug-

gists disliked to offend their customers by refusing to sell products which, in most instances, are safe for self-medication. But after the government had prosecuted several retail druggists for selling drugs deemed too dangerous for unsupervised use, protests began to reach the Food & Drug Administration from organized retailers, notably the National Assn. of Retail Druggists.

• **Druggists Protest**—Instances were noted where even such well-known household standbys as soda bicarb were being packed under the prescription label, making the druggist a technical lawbreaker if he sold them without a prescription.

Druggists argued that they should not be held responsible for the missing directions. They clamored for a tightening of the Rx label exemption, and last year FDA set about writing new rules. A tentative draft was issued for trade comment in April, and the regulations were finally promulgated by FDA, last October, to become effective a year later.

• **Two Main Classes**—Broadly speaking, the regulations divide all drugs in two main classes: those which are considered suitable for self-administration, and those which are thought to require professional supervision.

Products in the first group must bear adequate directions, with the exception of a very few items like rubbing alcohol or smelling salts. "Adequate directions" are defined as including a statement of what the product is for, thus revising the longstanding FDA policy against putting disease names on drug labels. FDA has not changed its policy, however, where disease names constitute a misrepresentation of curative effect.

• **Warning Required**—The line between the two broad classes of drugs is drawn by exemptions which FDA has set up for products that do not have to bear directions. Included in this category are drugs which cannot be safely and efficaciously used by the ordinary individual. Such products must be labeled with the warning that they are to be used only on prescription.

Other drugs which are exempt from bearing directions are: official bulk drugs, like those listed in the U.S.P., which are used in compounding prescriptions; inactive materials like colorings, solvents, and flavorings; drugs which are sold direct to members of the medical professions, to be dispensed by them; drug materials for manufacturing use; and "ordinary household drugs." An example of the very few drugs in the latter category is tincture of iodine. FDA requires this to bear a warning against misuse, even though directions may be omitted.

In Wallace's Lap: Standards

Big question is whether government's Bureau of Standards or industry-backed American Standards Assn. will take lead in consumer goods field. Charles E. Wilson's report proposes latter.

One of the first major decisions facing Henry Wallace as he settles down to the job of running the Commerce Dept. involves the future functioning of the National Bureau of Standards. The big question is whether the bureau shall confine itself to scientific and technical work, or whether it shall take the responsibility for vigorously developing and promoting commercial standards, particularly standards for ultimate consumer goods.

Two divisions of the bureau—Trade Standards and Simplified Practices—now exist to do at least part of this job (the bureau has long eschewed any activity that smacked in any way of promotion or publicity).

• **A Hornet's Nest**—If he tackles the problem of commercial standardization on a broad scale, Wallace will inevitably pull down a hornet's nest of conflicting opinions and practices.

In private industry, the greatest experience with standardization has been in such fields as engineering, mining, metallurgy, and chemistry. Businessmen and technicians in these fields are understandably wary of any standardization projects to which established en-

gineering methods cannot be applied. Much commercial standardization, particularly of consumer goods, inevitably falls into this category.

At the opposite extreme is the highly vocal opinion of the professional consumer organizations. In general, these groups hold that the consumer is entitled to minimum standards of quality and performance on virtually everything he buys from men's shirts to automobile tires.

• **Grade-Labeling**—Some of these organizations go a step further. They advocate grading and grade-labeling so that the housewife who buys a yard of cotton print cloth, say, will know not only that it comes up to certain minimum standards of colorfastness, thread count, durability, tensile strength, and the like but also whether it rates as grade A, B, or C, etc., with respect to these standards.

This demand is widely opposed by industry, because grade labeling is seen as threatening the value of brand names and the manufacturer's incentive to improve his product.

On a middle ground are a great many people who think that certain types of consumer goods standards might have benefits not only for consumers but also for business in that they would provide a guarantee against unethical competition and a possible selling point in dealing with consumers.

In general, this group is opposed to grading and grade-labeling in any field where the taste and needs of the individual buyer play the most important role.

• **Favoring Standards**—This middle group includes some manufacturers of consumer goods who feel that they could do a better job if they had standards to work with. An example would be the garment manufacturer who is hampered by the lack of standard sizes.

The group also includes many retailers, particularly mail-order houses, chain stores, and such big department stores as R. H. Macy & Co. of New York City. These retailers have done a large measure of performance and quality testing and labeling on their own initiative. From the consumer's viewpoint, the value of this activity is limited by the lack of a common denominator for comparing values.

Coupled with the question of the desirability of consumer goods standards



I. J. Fairchild is chief of the Trade Standards Division, medium for such commercial standardization as has been done by the Bureau of Standards.

is the question of whether a general standardization program should be handled primarily by the government, with the help and advice of business and the public, or by a private organization, with the help and advice of the government.

• **Public and Private**—If the job is done by the government, the Bureau of Standards is the obvious instrument. Outside the government is the American Standards Assn., with a membership of 85 technical and engineering societies (such as the American Society for Testing Materials and the American Institute of Electrical Engineers), trade associations (such as the Automobile Manufacturers Assn. and the National Retail Dry Goods Assn.), and several departments of the government itself, including the Commerce Dept.

In general, the work of the A.S.A. has been primarily that of a clearing-house. As such, it has had the job of negotiation, appraisal, and compromise involved in deciding what standards are needed, who shall do the scientific and technical work involved in setting them up, and finally, in getting them accepted.

• **Basic Physical Research**—The Bureau of Standards has devoted itself primarily to basic physical research, much of which has been done on A.S.A.-approved standards, which are published as "American standards." In the work of the bureau's Trade Standards and Simplified Practice divisions, the func-



Paul Agnew, secretary since 1919 of American Standards Assn., is vitally concerned with the future role of private standards organizations.



ROOMS IN ALL SIZES

Air-conditioned and with modern equipment, Firestone's new laboratory at Akron will serve as focal point of the company's extensive program for development of new products, improvement of present ones. Prefabricated steel partitions provide for quick rearrangement of much of the structure's 100,000 sq. ft. of floor space—from laboratories for six technicians (above) to small workshops for pairs. Most wall sections have escape hatches (left) in event of accidents; showers guard against acid burns.

tions of the two organizations have sometimes overlapped.

On the consumer goods' side, A.S.A. has, for example, worked on a standard for body sizes for boys' garments. The Bureau of Standards has performance standards for vacuum cleaners and clinical thermometers. But the bulk of the work of both organizations has been outside the field of consumer goods standards.

• **Into a Stampede**—General interest in such standards did not really develop until the 1930's, when the consumer movement took standards out of the testing laboratory and put them into the public prints. NRA and the fight over the revised food and drug bill gave the question prominence. With the war, what had been a trend toward standardization—of all types of goods—developed into a stampede.

In its early days, the Office of Price Administration, seeing standards as a means of protecting consumers against the hidden inflation of quality deteri-

oration, embraced an all-out program of standardization and grade-labeling (BW—Oct. 11 '41, p. 22). OPA's ambitions were drastically trimmed—by Congress, business, and the WPB. But the issue OPA had raised remained.

• **Wartime Evolution**—It was against this background that Carroll L. Wilson, special consultant to then Secretary of Commerce, Jesse Jones, made a report to Jones on the part that the Bureau of Standards should play in developing consumer goods standards. At the same time, the American Standards Assn. was working toward a program which would enable it to undertake a more vital role in this field.

During the war, A.S.A. has undertaken—as emergency projects—the development of standards for a wide range of consumer goods. A.S.A.'s standard specifications for bed sheets have been used by OPA as a peg for price ceilings (BW—Feb. 14 '42, p. 31), though A.S.A.'s members have never approved them as an "American standard." For

WPB, A.S.A. has worked out war standards for work and safety clothing.

• **Shaping a Pattern**—The development in A.S.A. dovetailed neatly with Wilson's recommendations that the work of negotiating and promoting consumer standards could best be done by a private body and that A.S.A. should be rebuilt to this purpose. For the Bureau of Standards, Wilson recommended an expansion of its scientific and technical work to increase its usefulness as a research and testing agency for A.S.A. and other groups. Wilson also suggested that the Trade Standards and Simplified Practices divisions should be transferred from the bureau to another location in the Commerce Dept.

Under the stimulus of Wilson's report, a conference of top business executives met in New York City last winter. The conference resulted in the appointment of a nine-man "policy committee on standards," headed by Charles E. Wilson of General Electric, to report back to the Commerce Dept. and A.S.A. through the five-man "visiting committee" of the Bureau of Standards, an advisory body of industrialists and educators provided by Congress.

• **A Further Indorsement**—On all salient points, the Wilson committee's formal recommendations are a further indorsement of the policies suggested by the Carroll Wilson report and approved by the New York City conference. They have been timed to coincide with A.S.A.'s announcement, last week, that its members have ratified changes in its constitution which will enable A.S.A. to "meet more fully the needs of government and industry in the postwar period."

Specifically, A.S.A. has removed a restriction which heretofore has limited its work to "those fields in which engineering methods apply." This restriction hamstrung A.S.A.'s first ventures into the field of consumer standards a decade ago. The organization "can in the future handle any standard or standardization project which is in the field of engineering or consumer goods or in any other field which deserves national recognition."

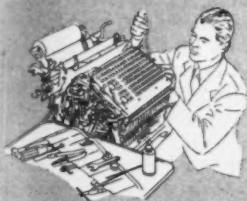
• **"A Right to a Voice"**—Another constitutional change, providing that "all groups with an interest in a particular standard have a right to a voice in its development . . . thus assuring cooperating bodies that the work will be carried out in accordance with their desires," is designed to reassure A.S.A. members who are still wary of consumer goods standards. A provision for the addition of three "members-at-large" to the association's board of directors should give more voice to groups directly interested in consumer standards.

Wallace has not committed himself



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on the extent to which he will be governed by the Wilson committee's recommendations and A.S.A.'s new tack. He is expected to go along with the proposal for shifting the divisions of Trade Standards and Simplified Practices from the bureau to another part of the department—where they might have a better chance of growth than in the bureau's somewhat rarefied, scientific atmosphere.

• **Another Point of View**—Wallace will be cautious about signing over—to A.S.A. or any other private organization—the Commerce Dept.'s interest in developing and promoting consumer goods standards. Against the Wilson report, he will have to weigh the arguments of many interests which, for one reason or another, favor a strong Bureau of Standards whose activities would embrace all phases of standardization.

Many retailers, and some manufacturers of consumer goods, feel that A.S.A.'s long association with the engineering field makes it a poor vehicle for consumer goods standardization. Consumer groups feel that their counsel has not carried sufficient weight with A.S.A. (They are piqued because they were not represented on the Wilson committee, nor consulted on its report.) Within the Bureau of Standards itself are officials who have long cherished a natural desire to increase their agency's stature. At present, these officials are

carefully refraining from any comment on the bureau's future status.

• **Subject for Study**—Evidence that Wallace has by no means decided which turn to take is found in the fact that an intradepartmental study of the Commerce Dept.'s future reorganization (BW—Jun.30'45,p5) includes the Bureau of Standards among its subjects. Wallace also may be the prime mover in setting up, within the government, an interdepartmental committee on standards, which would survey the whole question of consumer goods standards.

Such a committee might also be instrumental in bringing about some general realignment of the Bureau of Standards, which now overlaps almost every other government agency—with friction inevitably resulting.

Another, less immediate problem, is to find a successor for the bureau's chief, Dr. Lyman J. Briggs, who is now past 70 and who is not expected to be willing to carry his executive burden indefinitely.

Associates think Wallace will avoid anything in the nature of a crusade in behalf of consumer goods standards, saving his fire for bigger issues. But he is expected to study the problem carefully (looking, says one of his aides, "for more light and less heat") and to make any eventual decisions on the basis of his own findings.



DOWN TO BARE BONES

By dropping a soupbone into the mail, President Ned Leonard (right), seconded by other Phoenix Restaurant Assn. officials, drops a hint to his congressmen that they'll be in the soup unless there's more than a bone for Arizona's diners out. In New York, white-haired George La Savage and G. E. Frawley (above), respective presidents of the National Restaurant and American Hotel associations, fight



against OPA's new cut in restaurant rations. They argue: Housewives fare better in points than most eating places; the cut means more black market; the dining-out peak is passed.



Same tape...same Boy

GIVE an American boy a roll of friction tape and he'll tackle just about any kind of a repair job that comes along... with the odds on his doing it successfully.

When boys like that donned uniform they found their old workbench friend more useful than ever.

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People who buy products create jobs for people who make products. That's how a business grows big. It is your liking for "U.S." products that built this company.

In the field of mechanical rubber goods alone "U.S." products are in use in every phase of the vast, complex war machine... on land, at sea, in the air.

Under the whiplash of military necessity, great scientific strides have been taken in adapting rubber to new purposes. The lessons learned, the skills and techniques perfected will not be lost or forgotten at war's end.

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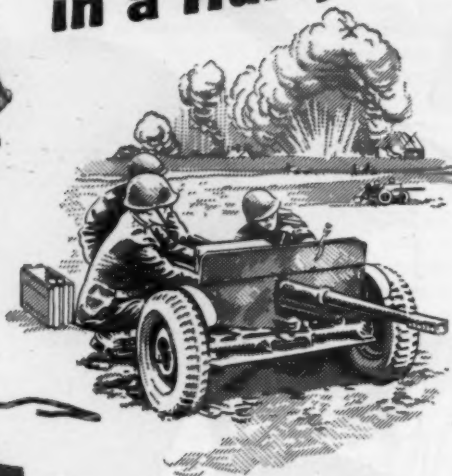


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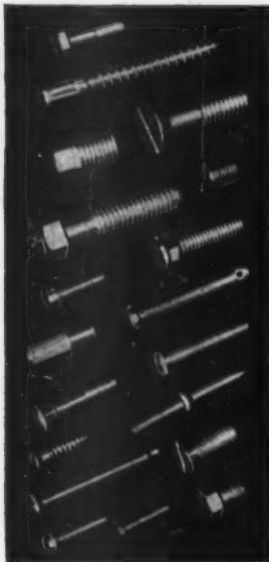
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Elco screws and bolts . . . though insignificant in relation to the size of the completed product on which they're used . . . play a major role in production and assembly. Literally millions of them, of every conceivable shape and size, find their way into countless items for both war and peace.

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A Penny a Pound

That difference, resulting from ICC's new meat rate, is enough to take sunshine out of life for West Coast packers.

The difference is only a penny a pound, but the Interstate Commerce Commission's reduction of westbound freight rates on fresh meat (BW-Jun. 23'45,p41) has touched off a burst of mathematical pyrotechnics to delight the heart of a cost accountant and has cast a mantle of gloom over the West Coast's independent meat-packing and livestock industries.

• **Balance Destroyed**—As a basis for a possible continuation of the rate fight, which has raged without much abatement since 1932, the Coast packers and cattlemen are working up a careful analysis of the new rate structure. But it was obvious before they started that the delicate balance between the livestock and meat—the balance which determines whether they make a profit—was destroyed.

What upset the economic balance was that the ICC, as requested by midwestern packers, cut the rates on fresh meats without changing the rates on livestock. Thus it becomes relatively cheaper for midwestern packers to ship dressed meat to the Coast than for Coast packers to import the livestock and slaughter it.

• **How It Works Out**—Take the haul from Omaha to San Francisco. The old rate on fresh meat was \$2.60 per cwt.; the new rate is \$1.56. Obviously, the Omaha packer gains a delivered-cost advantage of \$1.04 per cwt. against the San Francisco packer who buys a critter in Omaha and pays the unchanged livestock rate of \$1.07 per cwt. to ship him to the Coast to be slaughtered. The Omaha packer's point of view, of course, is that the new freight rate simply neutralizes an advantage that was previously held by the San Francisco packer.

This means, in one sense, that the Omaha packer now will be able to lay down a side of bacon on the Coast for a cent a pound less than he used to be able to, and the San Francisco rival will have to choose between meeting the competition or giving up the battle altogether.

• **Where OPA Comes In**—Up to this point, the hypothesis is academic under present circumstances of supply and demand; if the San Francisco packer had the bacon, he could name his own price and sneer at the competition. But OPA figures in the equation, too. OPA im-

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poses ceiling prices, both at wholesale and at retail.

Retail ceilings on pork are governed by a percentage markup over wholesale ceilings, but wholesale ceilings are composite of a uniform base price plus freight costs from the nearer of two basing points established for each pricing zone by OPA. (This formula does not apply to beef and lamb, which are under straight dollar-and-cents ceilings.)

• **One Gets the Penny Back**—The freight rates employed in this pricing formula are the rates on dressed pork, not on live hogs. Hence for the Omaha packer who ships meat to the Coast, the penny of revenue he loses through lower ceiling prices is offset by a corresponding saving in freight rates. The San Francisco packer also loses the penny of income, but saves nothing in freight rates.

That is oversimplification of an extremely abstruse tangle of the economics of one of the more complex industries. Even the packers, stockmen, and railroads haven't yet figured out all of the specifics of it.

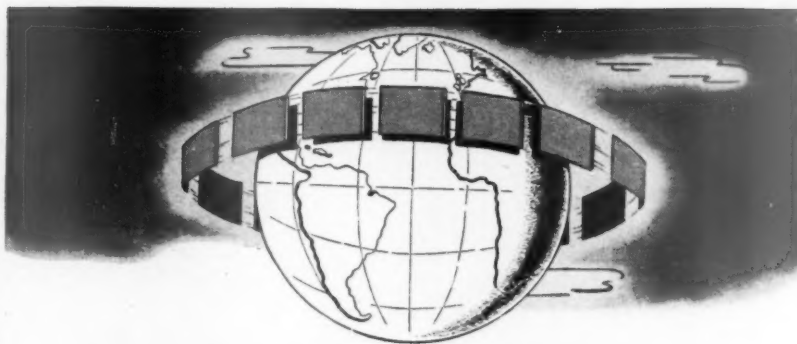
• **At the End of the Line**—However oversimplified the example may be, it's clear that somebody's ox—or hog—has been gored, and the producers on the Coast have the uncomfortable feeling that it is their hog. Coast packers insist that they have no choice but to pay a penny a pound less for their livestock. Coast hog producers, who have no other market for the animals, cannot pass the cut along. They are at the end of the line.

What is true of pork is less markedly true of beef and lamb. The Coast traditionally has a surplus of slaughter lambs at some seasons, and a relatively comfortable supply of cattle—enough of both to be less concerned about the competitive effect of freight rate cuts on lamb and beef than on pork.

• **A Regional Consideration**—But the Coast is deficient in pork and pork products. In 1939, California slaughtered 1,847,000 hogs, 40% of them homebred. Yet those critters yielded only 20% of the smoked meats consumed in California; the other 80% came from hogs that were slaughtered in the Corn Belt.

A reason for the deficiency is the Californian's appetite for hams and bacon, his relative coolness toward fresh pork. If California packers slaughtered enough hogs to meet all the local demand for ham and bacon in times of normal supply-and-demand meat economics, the markets there would be glutted with fresh pork, with no takers at a price that would leave anyone a living.

• **Must Buy Nearer Home**—There is another disadvantage for the San Fran-



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P. 8

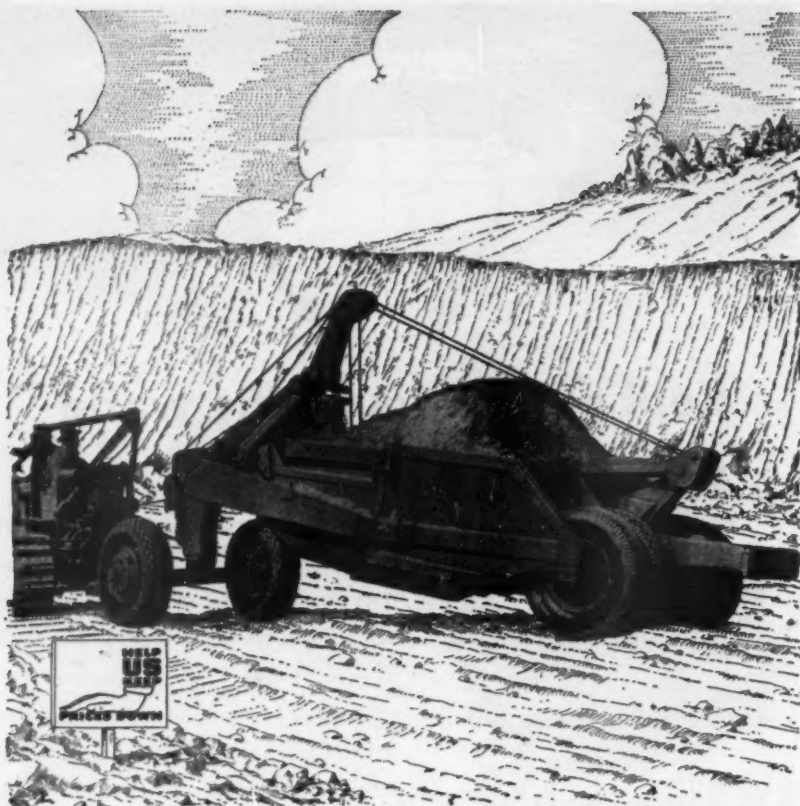
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cisco packer in the rate cut. His livestock-buying operations have carried him as far east as Grand Island, Omaha, Scottsbluff, and Gering, Neb. Now, with a penny a pound cut from his revenues, his range of operations becomes narrowed. No longer can he afford to buy hogs on the western fringe of the Corn Belt. To conserve on costs, he will be forced to buy closer to home, where the shipping cost will be less, but where the supply will not be so abundant.

Conversely, the Omaha packer, with that one-cent edge, can enlarge the radius of his buying, possibly into Mountain Pacific territory, ship the hogs back to Omaha, move the dressed meat to San Francisco, and still be able to make a profit.

One still unfathomable factor is OPA's order, effective July 1, requiring each wholesale seller of dressed meat to ship into each county the same percentage of his total civilian supply as he shipped in the first quarter of 1944 (BW-Jun. 9'45, p18).

● A Sizable "If"—If this area distribution order can be enforced—and packers make no bones about their serious doubts that such a complex order can be administered—then the adjustment of freight rates will have no appreciable effect on meat supplies until wartime controls are lifted.

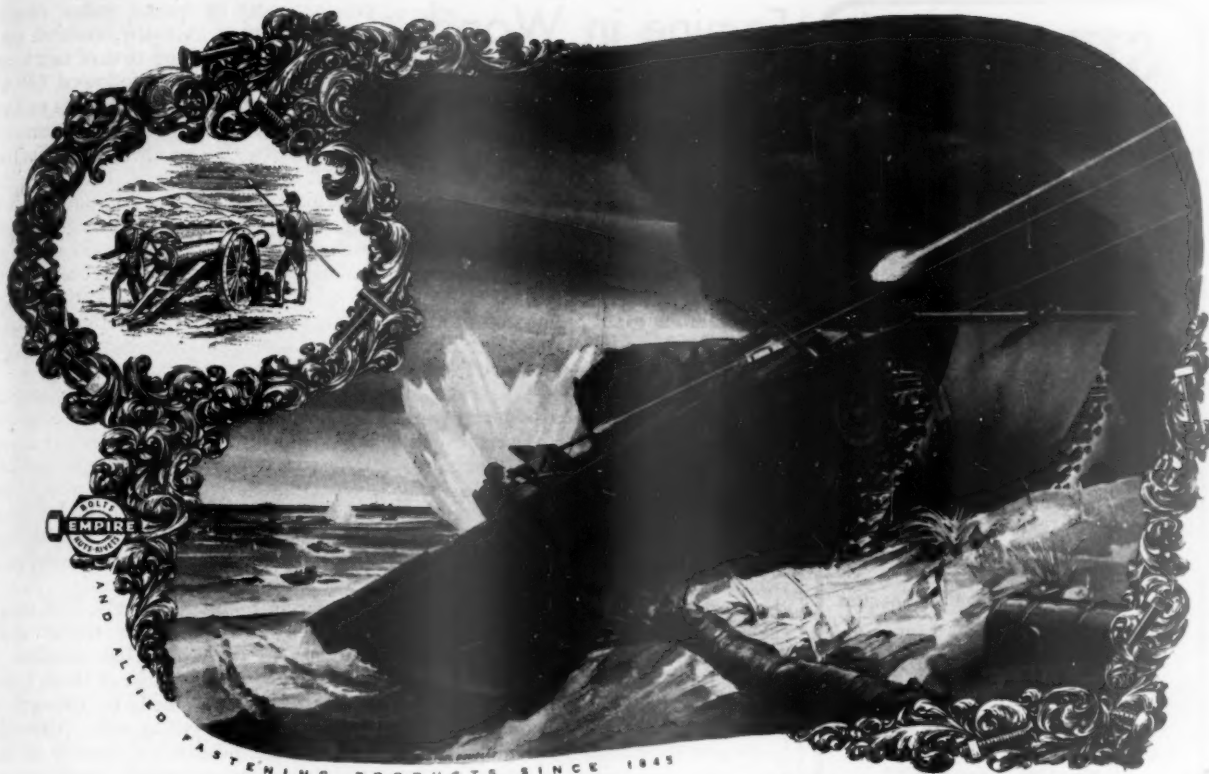
U. S. BUILDS RADIO NET

The federal government is installing its own radio-telephone systems in the rugged mountain regions of the West where ordinary wire lines are broken about as fast as they are set up.

One such network will be installed this summer in the headwater regions of the Minidoka and Snake River irrigation projects in Idaho, west of Yellowstone Park, for use of Bureau of Reclamation employees who must stay at the dams, and far in the back country, to report on snowfall and other weather conditions. At present telephone lines strung on trees are their only link with the outside world, and these are frequently snapped off by storms and falling limbs. Four reservoirs on the million-acre project are completely snowbound during the winter months, while the attendants in charge at one of them are 24 miles away from the nearest family.

The new radio system will be 185 miles between farthest stations and there will be six stations in all. It will be operated only during the day except in emergency.

A similar hookup of three stations has been working for several years, with good results, on the Boise project in southwestern Idaho.

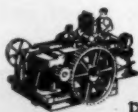


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100 Years.. MAKING STRONG THE THINGS
THAT MAKE AMERICA STRONG

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DIVIDEND NOTICE

The Board of Directors of Investors Mutual, Inc. has declared a dividend of twenty cents per share payable on July 16, 1945 to shareholders on record as of June 30, 1945.

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Famine in Woods

Naval stores production drops as workers quit forests because of food shortage. U. S. asked to give relief.

The South's naval stores industry (turpentine, gum, rosin, etc.), confronted with an urgent War Production Board request for increased production of rosin (BW-Mar.24'45,p48), turned back to the government this week with some requests of its own.

• **Food Supply Exhausted**—Most urgently sought is relief from a pork and meal famine that is driving turpentine workers out of the woods and into areas where food is more plentiful. Merchants in the turpentine areas say they cannot obtain deliveries of salt pork, lard, meal, rice, and sirup, which form the base of the turpentine worker's diet. Food of this type is necessary to enable him to stand up under the strenuous work.

Judge Harley Langdale of Valdosta, Ga., president of the American Turpentine Farmers Assn. cooperative, appealing to Washington for relief, agreed that "this may not seem on paper an acute situation." "But," he added, "if you could see loyal workers who have been with us for years enter our commissaries and eye patiently but hopelessly the empty shelves, the empty meat bins, and listen to their pleas for food for their children, you would grant us the relief that your agencies are empowered to provide."

• **Production Lags**—Langdale told the federal officials that the industry cannot

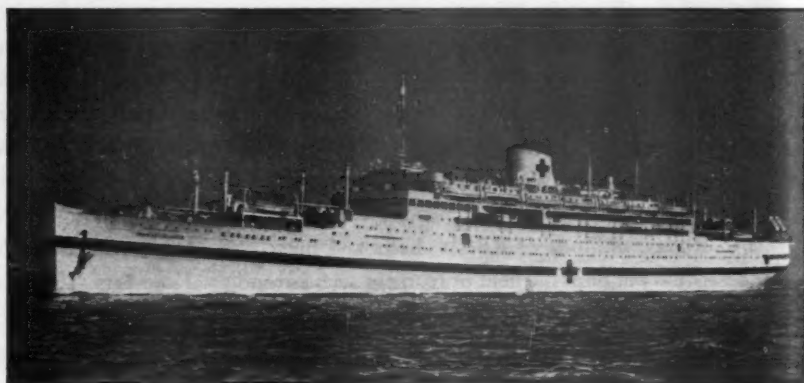
possibly meet its quotas unless speedy relief is granted. Actually, current production is even behind that of last year.

The farmers' appeal followed OPA's action in putting dollar-and-cents ceiling prices on gum rosin sales by producers and dealers, which became effective July 2. The ceilings replaced a formula by which each seller computed his ceiling, using the price on the Savannah exchange as a base. OPA said the new ceilings would maintain the general level of present prices. Langdale said the new ceilings were simpler but that actually they resulted in lower prices on some classes of the product.

• **Labor Lured Away**—Labor competition in higher paying fields is a continuing acute problem for the naval stores industry. Under price ceilings, spokesmen complain they cannot match the lowest competitive wage paid by other forest products industries in the turpentine area, not to mention those paid by war industries.

Another problem is trucks. The rough treatment the industry's trucks must undergo in the woods has resulted in rapid deterioration. Most of them today are held together chiefly by strength of will and a little baling wire. Although most of the industry can qualify to buy transportation equipment, producers say the procedure for applying for it has been changed so often that many have become confused and discouraged. They ask for a uniform system for requesting permission to buy equipment, and simpler approval.

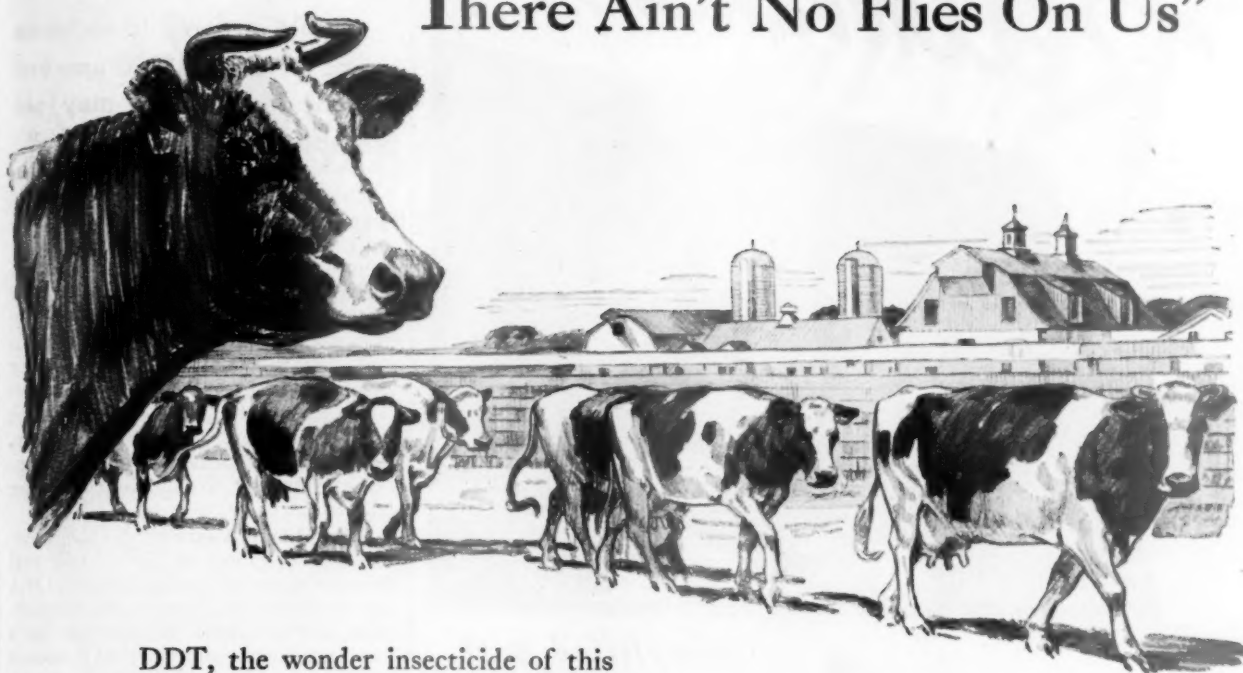
Meanwhile, the industry found no encouragement in OPA's announcement that if turpentine prices continue to increase they would be placed under ceilings.



MERCY JOB FOR LUXURY SHIP

Spotless in gray and white paint, the former Italian luxury liner *Saturnia*—now the *Francis Y. Slinger*—is about to head for the Pacific as the world's largest and fastest hospital ship. Escaping from the Germans before Italy's surrender, the vessel was pressed into use as a U. S. troopship. Now, with 89 wards and three operating rooms installed at Todd Shipyards, Brooklyn, it can take care of 1,776 patients—twice the capacity of any other seagoing hospital.

"There Ain't No Flies On Us"



DDT, the wonder insecticide of this war, has had a tremendous "press." Nearly every civilian is eager to try DDT in his home, in his garden, or, if he is a farmer, on his crops and farm animals.

To make DDT an insecticide spray for civilian use, it is necessary to use solubilizing and emulsifying agents. DDT by itself will not dissolve in water. It is dissolved by organic solvents to make what are called DDT concentrates which will not dissolve in water, either. So surface active agents such as Atlas Spans and Tweens are mixed with these concentrates to make this spray mixture.

The surface active agents used to make DDT sprays must be versatile. The sprays are used under a wide variety

of conditions—with many different solvents, with all kinds of hard or soft water, and in cold weather or hot.

Atlas Spans and Tweens have filled those requirements neatly. Because they are chemically complex materials, they can be made available to meet most any emulsifying, detergent, or wetting challenge.

Atlas Spans and Tweens are only a few of more than a hundred chemical materials which offer a huge stockpile of ideas upon which industry constantly draws for the improvement of products and processes. We invite you to make use of this stockpile while your reconversion plans are being crystallized.

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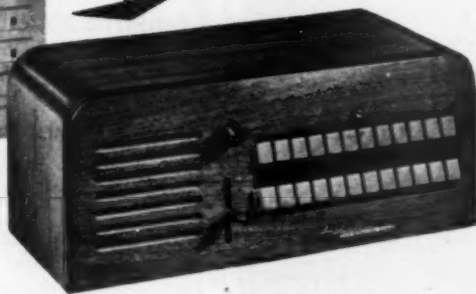
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Luxury Defined

OPA ordered to increase ceiling on rents of \$100 upward in New York. Ruling may set precedent for other areas.

Last week's 2-to-1 decision of the United States Emergency Court of Appeals directing OPA to increase rent ceilings on dwellings in the New York City area renting for more than \$100 a month was doubly significant. Aside from the long-range effect of the decision itself, possibly as a precedent for rulings on rents in other areas, it revealed the effect of war-swollen incomes and wartime tax rates on occupancy, income, and expenses of rental properties catering to different income groups.

• **Three Levels Considered**—The complainants—a group of New York real estate owners—contended that the OPA rent regulation was unfair and inequitable, that it should be replaced by a new regulation which would accord to them profits equal to those which were earned prior to the impact of defense activities.

The court majority, while accepting the principle of comparison of profits with a prewar year (1939), decided to consider three levels of rental dwellings separately: substandard (less than \$30 a month rent), medium priced or competitive (\$30 to \$100), and luxury (over \$100).

In the substandard group, the court found that occupancy had dropped from 92.49% in 1939 to 87.84% in the first six months of 1944, a period entirely under rent control. Over the same period, gross income dropped 4.34%, and operating expenses rose 10.38%, with a resulting decline in net income of 28.98%. The court decided that the decline was caused not by rent control but by tenants with increased earnings moving to more modern, and higher priced, accommodations.

The court pointed out that a 1944 occupancy rate equivalent to that of 1939—and at ceiling rents—would have resulted in a higher net profit than in 1939. The vacancy rate of over 10%, the court said, would preclude higher rents in the substandard group, even if the ceiling were lifted, because of competition for tenants.

• **No Inequity**—In the medium priced group, occupancy rose from 93.49% in 1939 (91.50% in 1941) to 98.73% in the first half of 1944. Thus, although operating expenses rose 6.14%, gross income also increased, and net income showed a rise of 2.56%, despite rent

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control, indicating to the court that no inequity existed.

In considering luxury accommodations, the court found that scheduled income—theoretical gross income at 100% occupancy—which had shown practically no change in the other two groups, dropped almost 10% between 1939 and June, 1944. The larger part of the decline had taken place before

Mar. 1, 1943, the base date for the New York City rent freeze.

The court accepted the explanation that "these high priced apartments are occupied only by the wealthiest class of tenants and that many members of this class because of greatly increased taxes . . . could no longer afford to occupy apartments in this rental range. Widespread . . . reductions in rental rates

were necessary, therefore, to attract and hold tenants" (during the 1939-1943 period).

• **Net Income Declines**—Occupancy in the luxury group was sharply up, from 91.01% in 1939 (87.43% in 1941) to 97.94% in the first half of 1944. But because of the lower average rental and increased operating expenses, net income was considerably lower. (For the

Spokesman for American Leadership in World Trade

A scramble for world markets is under way.

London is bitterly accused of threatening not to pay insurance on ships lost during the war unless replacement orders go to British yards.

Moscow is said to be selling Rumanian oil and to be withholding from foreign owners of the oil wells all of the foreign exchange except profits.

Stockholm, it is claimed, is beating the fighting nations into war-starved markets in Latin America with carefully collected stocks of everything from sewing machines to electric fans.

And the infant Brazilian machine tool industry, playing a wartime advantage, is rushing deliveries of lathes to Argentina before British and U. S. manufacturers can reclaim their pre-war customers.

• **Goal: Ten Billion**—Aware that no time can be lost if the United States is to recover, possibly enlarge, its pre-war share in world trade, business is feverishly organizing to meet intensified competition, capitalize on new opportunities. Bait temptingly held out by almost every responsible agency which has predicted this country's share in the postwar trade pie is an annual business in the neighborhood of \$10,000,000,000.

Kingpin among the foreign trade agencies in this country is the 31-year-old National Foreign Trade Council.

• **New Plan, New Head**—Last week, after a protracted series of small conferences at which a broad new plan for vigorous foreign trade leadership was discussed with regional leaders among the council's 700 members, directors assembled at New York headquarters to elect a new chairman and named 55-year-old John Abbink as the man best qualified to carry out the program.

Abbink is no newcomer in either the foreign trade field or the council. In 1921 he broke off a busy career

which had taken him through Europe and around Central and South America for International General Electric to make a survey of the possibilities for an export engineering magazine.

• **Foreign Trade Publisher**—As a result, Ingenieria Internacional (International Engineering) broadened its Latin-American market coverage and Business Publishers International



Corp., of which Abbink is president, was formed by a merger of the overseas publishing interests of McGraw-Hill and the Chilton Co. B.P.I.C. now publishes five magazines in the foreign trade field: Ingenieria Internacional (Construccion and Industria editions), The American Automobile (Overseas Edition), El Automovil Americano, and El Farmaceutico.

In addition to having these publishing responsibilities, Abbink is vice-president and a director of the McGraw-Hill Publishing Co., and a director of the McGraw-Hill Publishing Co., Ltd., of London.

• **Set for Battle**—Abbink's reputation in the council is based on a stub-

born refusal to back down in any fight in which he believes this country's foreign trade position is being compromised. This quality has made him an outstanding leader in the council, which is determined to fight boldly but intelligently the effort of a small business clique in England to build a tight sterling bloc to oppose the expansion of U. S. foreign trade in traditional British markets (page 113); which is organizing to play a vigorous role in activating the Economic & Social Council of the United Nations; and which is setting out to educate the American business public to the problems and responsibilities of being the world's leading economic power.

When it was founded in 1914 by the late James A. Farrell, later chairman of U. S. Steel, the council was considered by many as millionaire-man Farrell's private club. Meeting in India House, New York, its small, select membership was virtually the social register of big business. They considered only problems of high policy.

• **From 50 to 700**—The depression, and the fact that foreign trade was beginning to affect more U. S. businesses, led to the absorption in 1936, of the "operating" end of the business, the American Manufacturers' Export Assn., and to a boosting of the membership from a little group of 50 to nearly 700. But the world trade bulge of the last three years before the war gave way at the end of 1941 to routine activity pretty tightly circumscribed by wartime government controls.

Today, with the prospect that lend-lease will soon end and war deliveries will, before long, shrink to a trickle, the foreign trade community has set its sights on an annual \$10,000,000,000 business, and has started revitalizing the agency which is expected to assume the leadership in achieving this goal.



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RCA Super-FM...storms can be seen but not heard

With RCA Super-FM radio, the most violent thunderstorm becomes a "polite little shower." It can be seen, but never interrupts broadcast reception.

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Super-FM is another "modern miracle" developed by an RCA engineer. You'll owe it to yourself after the war, to hear RCA Super-FM before you buy.

The same kind of "let's do it better" research that perfected Super-FM goes into all RCA radio products. And when you buy an RCA Super-FM radio, or television set, or Victrola—made exclusively by RCA Victor—you will enjoy a unique pride of ownership in knowing that you possess one of the finest instruments of its kind that science has achieved.



George L. Beers, Assistant Director of Engineering for the RCA Victor Division, listens to the RCA Super-FM that he developed. Super-FM provides greater ease in tuning and a higher degree of selectivity as well as freedom from noise and interference.

RADIO CORPORATION of AMERICA

RCA BUILDING, RADIO CITY, NEW YORK 20





Now Packages Travel in Raincoats

There had been trouble keeping moisture out of front-bound containers of vital war material.

Often, after riding sea-sprayed ship decks or sitting on rain-swept beach-heads or sweating in steaming jungles, old style packages couldn't stop mildew, moisture and rust from getting in their dirty work.

Then...in Flintkote asphaltic and synthetic adhesives, coatings and laminants...supply officials found a welcome answer.

Shippers, now, can seal tight against moisture and rust by first covering in-

dividual parts with a Flintkote-processed self-sealing, greaseproof, waterproof wrapping. Next, Flintkote's water-resistant adhesive seals the case lining.

In laminated chipboard for boxes, Flintkote's laminant is applied at the factory making the board. Another adhesive seals the box. For sheathed crates, Flintkote provides a bituminous top-coating, effectively roofing the crate against weather.

Millions of parts, in Flintkoted containers, now stay in factory-clean, rust-free condition to and on the far-flung battle fronts.

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wide line of building materials for new construction and modernization. The complete research and manufacturing facilities of Flintkote are at your disposal. Offices in principal cities. THE FLINTKOTE COMPANY, INC., 30 Rockefeller Plaza, N. Y. 20, N. Y., 55th and Alameda Sts., Los Angeles 54, Cal.



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full year ended June 30, 1944, expenses were up 3.49% and net income down 19.18%.) In addition, the court found that even 100% occupancy in this group would produce net income considerably short of that registered in the "normal" year, 1939.

The court decided that "the regulation is . . . operating to prevent the owners of this group from realizing from their apartments net income at 1939 levels." It ordered OPA to modify its regulation within 30 days to permit rentals which would allow owners of luxury apartments net income comparable to 1939.

The dissenting opinion held that there was nothing in the price control act which required OPA to group apartments by rental charged and that the regulation fully met the test of being "fair and equitable" as it applied to New York City rents as a whole, hence the complaint should be dismissed.

• **Will Seek Rehearing**—OPA faced three alternatives. It could appeal to the Supreme Court (although the emergency court is generally considered its court of last resort), it could petition the emergency court for a rehearing or a modification of judgment, or it could modify its regulation in accordance with the decision.

This week OPA decided to take the second course, and petition for a modification of judgment, hoping to get the decision reversed or, failing that, to get the boundary of the luxury group redefined upward—perhaps to \$150.

SEEK ODT TRUCK TAX

The seven states that have been arguing with the Office of Defense Transportation over payment of use taxes they claim on the vehicles of seven trucking companies being "physically operated" by ODT (BW—Feb. 24/45, p43) have finally despaired of getting any satisfaction through negotiation with the agency. So they have started a flanking movement.

A bill has been introduced in the U. S. Senate by all 14 senators from the seven states affected—the Dakotas, Nebraska, Kansas, Minnesota, Iowa, and Missouri—to require payment of all state levies on private truck lines seized and operated by an agency of the federal government.

The states assert that the tax is due under their laws regardless of who is operating the vehicles. ODT's position seems to be that it will pay the taxes only if the lines can be operated profitably. According to Rep. Francis Case of South Dakota, J. Monroe Johnson, director of ODT, has flatly refused to pay the taxes under the present circumstances.

Corn Squeeze

Farmers refuse to part with record seasonal supply as increased feeding demands cut into mills' dwindling stocks.

Feed millers were caught in the middle of a squeeze play last week and calling for an umpire. On one side, middle western farmers were holding a near record seasonal supply of corn in their cribs, 1,340,000,000 bu. On the other side, increased production of meat animals, poultry, and dairy products, a move that has been encouraged by the War Food Administration, was draining the already dwindling supplies of commercial feed—and corn is a major ingredient of such feeds.

• **Warnings Renewed**—Feed-industry leaders renewed their warnings, begun a month ago when corn shipments began to drop substantially, that a present critical shortage of corn and other grains in feed mills will next hit feeders of livestock, dairy cows, and poultry, particularly in the feed importing areas of the East and South. Their screams will echo on Capitol Hill, but the sound and fury will be still more terrifying when the consequences of the shortages reach the consumer.

The threat of a shortage grew as continued wet spring weather threw farmers farther and farther behind on their corn planting schedule. They were too busy getting the new crop in to bother about marketing the old crop. And, even if they had found time, few would have been willing to part with last year's crop until they could see prospects for a 1945 crop close to 1944's three billion bushels.

• **Anderson and the Millers**—Secretary of Agriculture Clinton P. Anderson scheduled a meeting with feed millers in Washington this week to plan relief. The industry believes that Anderson understands the problem. But whether any one will be able to help greatly is a grave question.

A small measure of relief might come from taking some of the steam away from WFA's push for increased livestock, dairy products, and poultry production, but this would not be a popular move. Distillers are reported willing to sell 3,000,000 bu. of their corn stocks to help out the feed industry, but the shortage is in larger denominations than this. Freight car shortage and world needs for wheat, including the Army program for shipping 263,000,000 bu. for food in Europe by Aug. 31 (BW—Jun.23'45,p18), get in the way of any substantial help from using wheat to

Strapped pallet loads of boxed products



ACME UNIT-LOAD STRAPPING for Pallets and Skids

A pallet, like a skid, is a platform built to support a number of containers or products which, when strapped together, form a unit load.

Pallet loading conserves manpower by reducing the number of units handled—in packing, loading, warehousing, and unloading. Pallet loading conserves container and packaging materials; conserves space—in warehouses, freight cars and ships. Throughout, pallet loading protects against damage.

Acme engineering is cooperating with the Armed Forces in pallet loading, and effecting the same economies for war-time shipping as applied in the past to the movement and handling of peace-time production.



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Now Packages Travel in Raincoats

There had been trouble keeping moisture out of front-bound containers of vital war material.

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From paper boxes to sound deadners and absorbers...from subway flooring to skyscraper roofing...from interior finishing to exterior waterproofing...from adhesives to expansion joints...from bituminous enamels to industrial cements...from protective coatings for industrial structures to a

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compl
ilities
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PAGE MISS

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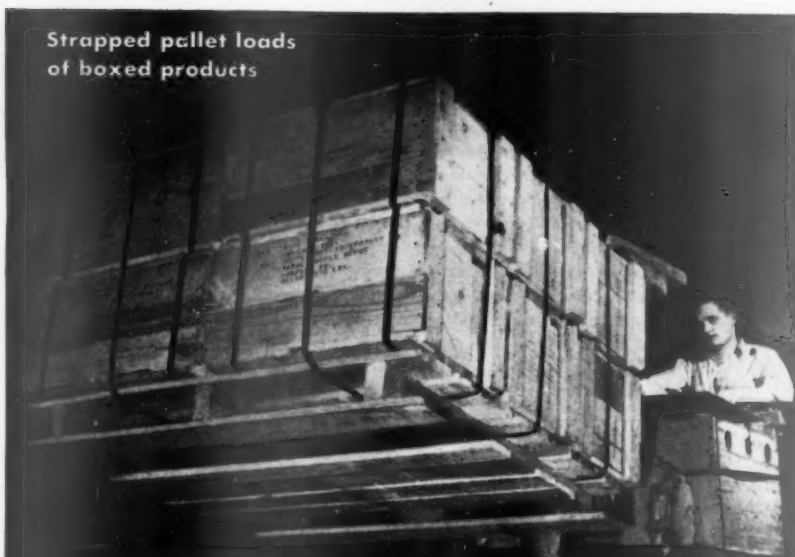
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AGES SSING

ACME STEEL COMPANY

2828 ARCHER AVENUE, CHICAGO 8, ILLINOIS

ACME STEEL CO.
CHICAGO

feed livestock, as was done in 1944 when 450,000,000 bu. of wheat went to make meat, milk, and eggs.

• **More Cattle on Feed**—The Feed Industry Council, fact-finding agency of the industry, pointed out that in the Corn Belt, 8% more beef cattle were on feed in April than a year earlier, while shipments of stocker and feeder cattle into eight Corn Belt states in March and April increased 60% over the same period in 1944.

The Dept. of Agriculture estimated on June 22 that the 1945 pig crop would reach 97,000,000 head, up 500,000 from 1944. Although the spring pig crop was under that of 1944, the average weight of the hogs slaughtered was 263 lb., as against 234 lb. for a year before.

• **Hatchings Increase**—Laying-age hens have decreased 10% in a year under the impact of black market prices offered to poultrymen, but baby chick hatchings were up from 239,000,000 in May, 1944, to 311,000,000 in May, 1945.

Milk cow feeding has increased, and milk production hit a record 12,500,000,000 lb. in May, 25% above the figure for a year ago.

Corn-processing plants other than feed mills have found the going tough since early June. The Pekin (Ill.) plant of Corn Products Refining Co. shut down entirely between June 25 and July 2 for lack of corn.

Hope for Poultry?

Now almost exclusively a black market, the trade thinks Anderson may save situation by elevating wholesale ceilings.

In the poultry business, which most observers candidly admit is now almost exclusively a black market operation, all eyes turned this week toward Clinton P. Anderson, newly appointed Secretary of Agriculture, as the sole hope of relieving the situation.

Basis of the trade's belief that Anderson may be able to do what previous food czars could not (BW—Jun.30'45, p32) is that Anderson has veto power over OPA regulations, which get most of the blame for the black market.

• **Wholesale 40¢; Ceiling 29¢**—Spot checks over the nation indicate how serious the situation is. Typical of Cleveland's black market scale, which has temporarily forced many dealers out of the poultry business, is the going wholesale price of 40¢ a pound on broilers, which have a price ceiling of 29.1¢.

Near Detroit, enraged farmers report that rustlers are raiding both their cattle barns and their hen coops, sometimes gasing or chloroforming chickens lest squawking awaken their owners.

In the north Georgia area where

WFA has ordered poultry set aside for Army purchase, it was announced that previously established highway checkpoints would be manned by military personnel, who would stop trucks and buy poultry for which the shipper had not obtained a WFA release authorizing sale to civilians.

• **Among the Dodges**—In California, OPA admits a spread of two cents between poultry ceilings and black market prices, but dealers say it ranges from 8¢ to 12¢ a pound in the Sacramento area to as high as 20¢ around San Francisco. Favorite ceiling price dodges include selling to selected customers who give a bonus in return; selling lower grade chickens at higher grade prices; selling live-weight birds at dressed-weight prices; and selling chickens as laying hens, which are unceilinged.

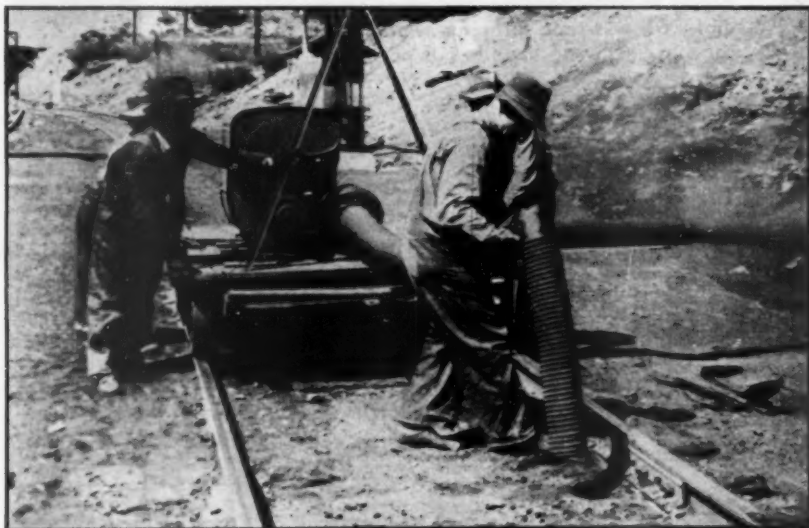
New York City dealers declare that absolutely no dressed chicken is available at the wholesale ceiling of 37½¢ a pound. Current black market price is 60¢–75¢ in retail markets if any gets there.

• **Mostly "Out"**—Patsy d'Agostino, vice-president of the National Assn. of Retail Grocers, and frequent spokesman for N. Y. dealers, estimates that 75% of the city's meat retailers have been out of poultry for the past few weeks. Such poultry as does come into the city goes to hotels and restaurants which, thanks to such side orders as French fries and string beans, have a profit margin wide enough to encompass under-counter prices.

Such observers as the American Egg and Poultry Review report that the black market is weakening slightly in the East. This is partly because WFA has from 80% to 70% the amount of poultry that must be set aside for the Army by Del-Mar-Va producers in the Nation's No. 1 chicken-producing area (Delaware, Maryland, Virginia); partly because seasonal shipments of western poultry are beginning to arrive; partly out of fear of proposed New York City legislation that would increase penalties for each ceiling price violation to \$100 fine and 30 days in jail, from the present \$25 fine and five days.

• **Present Ceilings Blamed**—But retailers generally look for little effective relief until wholesale price ceilings are increased at least 3¢ a lb. Their faith in Anderson's ability to unsnarl the poultry situation is based on his authority to effect that increase.

Black market prices begin at the farm, the trade points out. Large scale producers are obliged to sell most of their output to the government. Small-time farmers, in their turn beset by rising feed and labor costs, have little to lose and everything to gain by selling their flocks to whoever comes along—

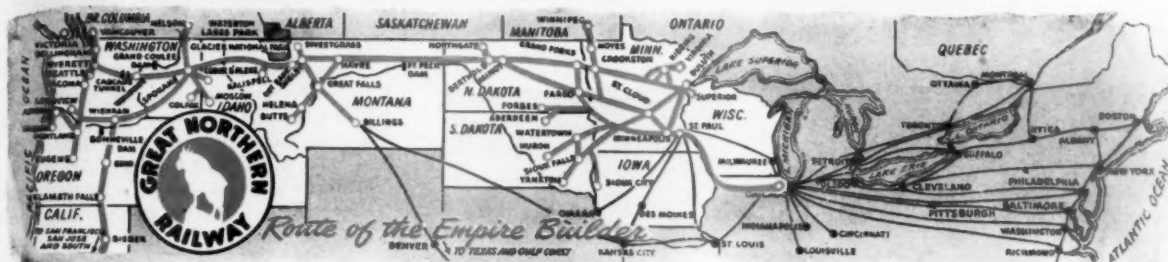


MODERN HOUSECLEANER FOR RAIL BEDS

A rolling "vacuum cleaner" which tidies up 500 feet of roadbed daily is a recent innovation of the Denver & Rio Grande Western. One tube of the device (above) sucks up the particles of dust, coal, and cinders that block drainage and thereby endanger traffic; the other blows them off the right of way. Possibility for the future: a worktrain with a unit big enough to cover the whole width of the rail—to permit a clean sweep of many miles a day.

GREAT NORTHERN RAILWAY

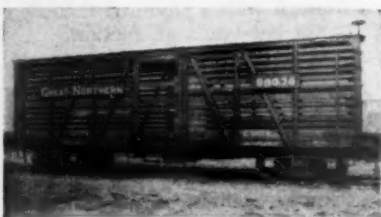
BETWEEN GREAT LAKES AND PACIFIC



Military, industrial and agricultural machinery, poles and timbers move over Great Northern on heavy-duty flat cars.



Rugged gondolas transport fuel, steel, sugar beets, sand and gravel.



Cattle, sheep and hogs from Northwest farms and ranches go to markets in modern livestock cars.



Transport of iron ore is a "special delivery" job for Great Northern. Several thousand of these 75-ton-capacity ore cars are in service on Minnesota's world famed Iron Range.

SPECIFIC TRANSPORT JOBS REQUIRE RIGHT KINDS OF CARS

Diversified Equipment

Marks Great Northern's Large Freight Car Fleet

Like the Navy's ships, Great Northern's freight cars are of various types. Each is built for a specific transportation job.

In Great Northern's freight fleet, which is doing battle duty on the Victory road these days, the familiar "box" predominates. An increasing number of the railway's

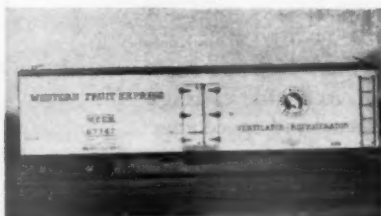
box cars are of plywood-steel construction. Light and rugged, these cars are tiptop for grain, finished lumber, and many other kinds of freight.

Another special "breed" of rolling stock is Great Northern's 75-ton-capacity iron ore car. Thousands of these husky, hopper-type cars are required for the railway's movement of ore from the Minnesota range to Lake Superior vessels.

For safe transportation of tremendous quantities of perishable foods from and to its territory, Great Northern provides a fleet of modern refrigerator cars.

Great Northern's freight fleet also includes livestock cars, flat cars, gondolas and hoppers—the right kind of equipment for every kind of transport requirement.

Having the right car for every job is one of the many things which make Great Northern great.



Producers of perishable freight rely on Great Northern's refrigerator car service.



Great Northern pioneered quantity construction of plywood-steel freight cars. Light, but sturdy, these cars are ideal for grain, forest products and merchandise.

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BUT WE CERTAINLY *Contribute* TO ITS PAGES

Acme engineers have had a quarter century of experience in studying aluminum alloys' nature. That's why our engineering advice may give you a tougher, longer lasting aluminum part—or enable you to save on metal without loss of any desirable quality.

And—whether or not you make use of Acme engineering advice—you can rely upon Acme for castings that will meet your exact requirements and speed your production. Our complete service includes making patterns and molds as well as aluminum alloy castings—thus enabling you, if desired, to shift to Acme complete responsibility for your castings requirements. Acme facilities include X-ray and spectrographic analysis, rigid temperature control and hard-to-satisfy inspection, thus reducing rejects and interruptions to your production to a minimum.

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sometimes for as much as 65¢ a pound live weight. Better to raise retail ceilings 4¢ to 5¢ and bring poultry back to normal distribution channels, say dealers, than to keep legal prices down while illegal prices soar.

• **WFA's Reasoning**—As a matter of fact, WFA's reason for imposing the 100% set-aside early this spring on producers in major poultry areas like Del-Mar-Va and parts of Georgia, Arkansas, Oklahoma and Missouri, was that by taking all the poultry except that on farms too small to be included in the order, it could break up black market deals.

Then, once the situation was cleaned up, it would release as much as the Army could spare for civilian consumption. Set-aside quotas in these areas have since been reduced accordingly, but WFA is in position to clamp down again if necessary.

TURKEY OUTLOOK BETTER

Turkey is one meat that may be in more plentiful supply for civilians, despite the military's bigger set-aside order. If the record crop forecast for this year comes up to expectations, the civilian portion will be larger than it was before the war, but the War Food Administration isn't making any promises as to how it will be distributed.

Turkey producers and processors have been ordered by WFA to set aside practically all birds until the Army and Navy get their fill. The military slice is expected to total some 120,000,000 lb. (dressed weight), or 20% of a crop that will total 600,000,000 lb. if farmers come through with a promised increase of 8% over last year's production.

Supporting this production prospect was a record number of breeding hens on Jan. 1, a heavy volume of advance orders for turkey poults produced by commercial hatcheries, and plenty of feed.

Last year the military buying of better than 90,000,000 lb. was completed and the set-aside lifted in November. The earlier set-aside this season is expected to advance the closing date and give civilians a better break at Thanksgiving.

This year's set-aside applies to all major producing states in the Midwest and Far West, in five counties in Virginia, and four in West Virginia.

LIGHTS GO ON AGAIN

Thrifty city fathers in Ontario, Calif., have always shut off the street lights at 2 a.m. But night-shift war workers protested, pointing to the hazards of groping through dark streets.

So city council ordered the city manager to look into costs. Now street lights



A MACHINE TOOL GAVE ME MORE TIME FOR FISHING, SON!

THERE was a time — not so long ago — when men had to toil the major part of their waking hours to earn enough to gain just the mere necessities — food, shelter, clothing. Leisure to enjoy life was very limited then.

It was not until machines and machine tools were developed and put to work that men were able to produce more in fewer hours — increase their earnings and have time left for recreation and the enjoyment of life as well. Machines have freed Americans from long hours of toil — increased their productive power, their earnings, and opportunity to improve their way of working and living, unequalled in any other nation of the world. That simple fact is important to keep in mind as we Americans plan for a better world of peace. To achieve real security of jobs and wages for the greatest number — it is not enough just to have people sharing the work.

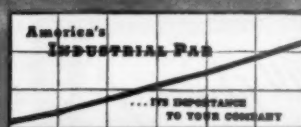
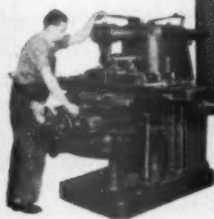
Men at work must be fully productive — produce more and better things in less time and at prices most people can afford to pay. For, all of us know that we can have a higher standard of living only as we earn more by producing more of the things—the conveniences, and comforts—that make it possible. This fundamental fact provides the practical approach to the goal of prosperity — for the wage-earner, the company which employs him, the America in which we live.



KEARNEY & TRECKER CORPORATION
MILWAUKEE 14, WISCONSIN

Milwaukee Machine Tools

BETTER PRODUCTS — BETTER EARNINGS SPRING FROM BETTER MACHINE TOOLS



★ Industrial records prove that output per man-hour increases at the rate of approximately 50% every ten years. This National Industrial Par is the foundation of American industrial leadership and high living standards.

★ Elimination of waste — plus improved production techniques — plus the most modern machine tools are the controlling forces that increase output per man-hour and cut production costs.

★ Ability to cut costs — not the cost of the tools themselves — are the deciding factors in determining machine tool needs. At least 10% of the total machine tool investment should be set aside yearly for machine tool replacement to enable your company to cut production costs — attain or excel Industrial Par.



Recognize and respect the wearer of an Honorable Service Button. It is a badge of honorable service issued by our Government to veterans of the Army, Navy, Marine Corps and Coast Guard.

EXTRA GOOD ...because it's EXTRA-AGED!

LUCKY YOU ...if you're fortunate enough to be living or visiting where you can enjoy Good Old Hyde Park... brewed the slower, more expensive, better old-time way. It's the one fine St. Louis beer that puts the extra **AGE** in true **LAGER**, at no extra cost to you.

**Seldom Equalled
Never Excelled**



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All phases of
**GAS and ELECTRIC
UTILITY**

**MANAGEMENT
CONSTRUCTION
APPRAISAL**



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PHILADELPHIA 2, PA.**

burn all night for it was found that the monthly cost was only \$85.

Probably not practical for this country, in war, is the European solution for lighting little-used hallways and streets. The Germans put a slot machine in each end lamp post, allowing the late wayfarer to light himself home with a coin.

Tools to Liquidate

War leaves the nation with some 600,000 more machine tools than it ever operated before; RFC inherits a headache.

One of the Reconstruction Finance Corp.'s biggest headaches is going to be the disposal of some 500,000 surplus machine tools.

Of the tools which RFC will have to liquidate, 285,000 are owned by Defense Plant Corp.; 22,000 by the Maritime Commission. The Army and the Navy together have about 300,000 machine tools, but they plan to hold on to some 100,000 for various arsenals and standby plants.

• **Total:** 1,711,137—Contributing to RFC's headache is the fact that the nation today has 1,711,137 machine tools—about 600,000 more than American industry ever before operated at one time. The figures are part of the

findings of the 1945 Inventory of Metal-Working Equipment, made by McGraw-Hill's American Machinist, which points up some significant trends.

One certainty, which is on the bright side for RFC, is that private industry's own equipment is not in as good condition today as it was in 1930. In that year, 49% of industry's machine tools were more than ten years old; today the figure is about 54%.

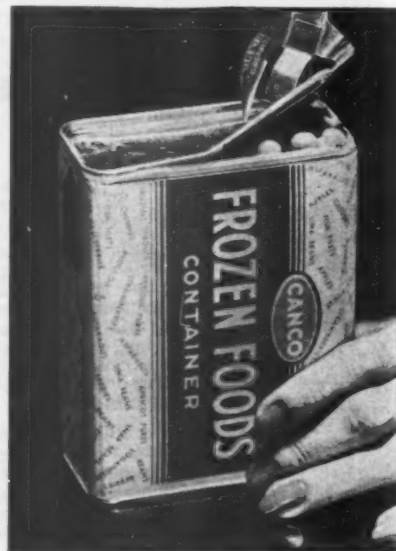
• **Better Tooled Than Ever**—If government-owned machines are included, then only 38% of the nation's tools are more than ten years old. Thus, if industry can quickly absorb the government-owned tools to replace old equipment, the country will be better tooled up than it has ever been.

The survey points up the enormous expansion in the aircraft industry in the past five years. In 1940, the industry only had 9,000 machine tools, while today it has 276,466 tools, more than any other industrial division. The auto industry, including bodies and parts producers, only has 243,687 tools. Since the aircraft industry is due for a logical postwar shrinkage, much of its equipment, largely government-owned, will find its way into surpluses.

• **A Measure of Need**—From an obsolescence standpoint, the aircraft industry is best situated, with only 2% of its equipment more than ten years old. Worst off are the business machine industry with 62% more than ten years old, textile and clothing machinery

FROZEN FOOD "CAN"

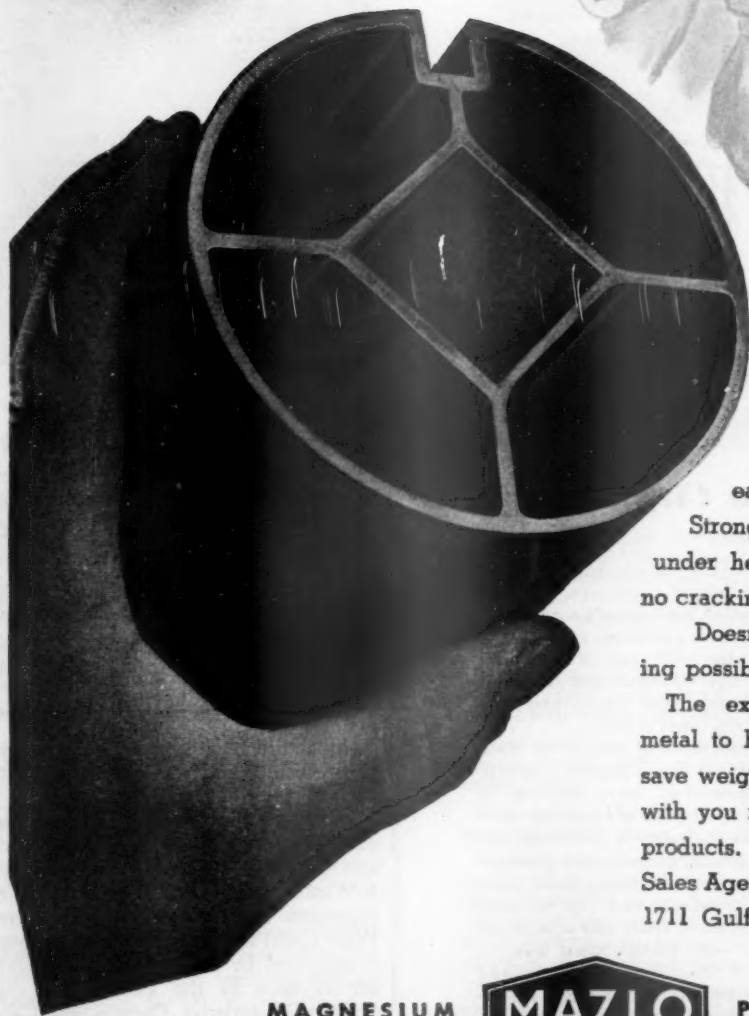
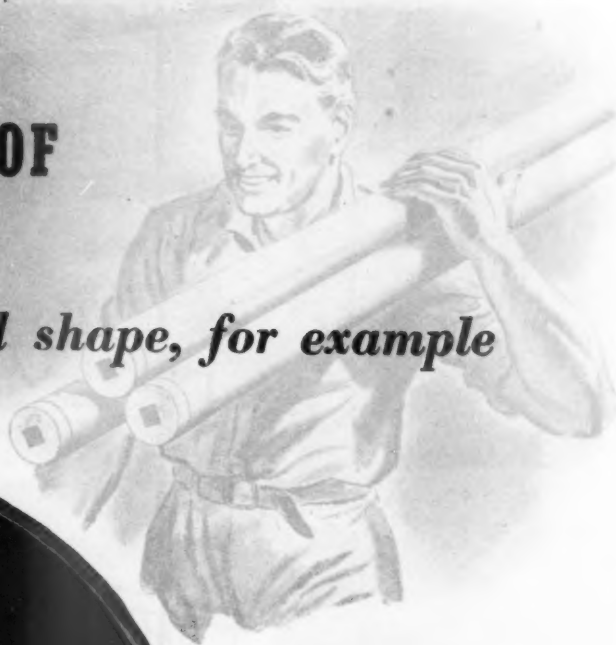
Frozen food packers this week moved a step nearer to the low production costs which heretofore have given canners a sizable competitive edge. American Can Co. announced a new container which, for the first time, permits automatic filling and sealing of frozen food packages. Its walls are paraffin-impregnated fiber board; ends are light tinfoil, which can be opened easily by peeling off after prying up a corner with a knife or hook opener. The company says the new package can be speeded through closing equipment (die seamers) at 200 a minute, compared with 30 to 80 a minute for the folding boxes now used, which require considerable hand labor. Shortages of materials, and of die-seamers which most packers would have to acquire, limit this year's use of the Canco package to test runs in a few plants. Another company with an eye on the frozen food



package market is Reynolds Metals Co. Reynolds controls the trade name "Eskimo" (of Eskimo Pie fame), can license its use in brand names as come on for potential users of its aluminum foil frozen food package, also adaptable to production-line filling.

THINK IN TERMS OF MAGNESIUM

consider this extruded shape, for example



• This hollow extruded magnesium shape was designed by American Magnesium to give the textile mills a better cloth roll. It has a degree of permanence never before attained. Light in weight, these rolls make handling easier, simplifying a labor problem.

Strong and stiff, they're able to stand up under heavy loadings. There's no distortion, no cracking, no splintering.

Doesn't this shape suggest some interesting possibilities to you?

The extrusion process helps you employ metal to best advantage. Magnesium lets you save weight most efficiently. We'll gladly work with you in adapting both advantages to your products. Aluminum Company of America, Sales Agent for American Magnesium products, 1711 Gulf Building, Pittsburgh 19, Pennsylvania.

MAGNESIUM



PRODUCTS

AMERICAN MAGNESIUM CORPORATION

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The Lamppost

that keeps a City Running!

ALL-PURPOSE steel poles like the tall, graceful one pictured above are used all over the America's—not only to make streets safe at night, but also to perform a wide variety of other services needed to keep a modern city "ticking". For example, they successfully combine such services as street lighting, power and light circuits, railway feeders, trolley span wires, traffic signals, telephone and telegraph lines and fire alarm circuits. There's almost no end to the jobs they do well.

Based on a design principle originated many years ago by Union Metal engineers, these all-steel "Monotube" poles are another example of the

many extra values found in all Union Metal products. They're cold-rolled for strength, tapered for beauty, and produced in styles to harmonize with any architectural theme. Easy to install and maintain, long-lasting, they repay their low cost many times over.

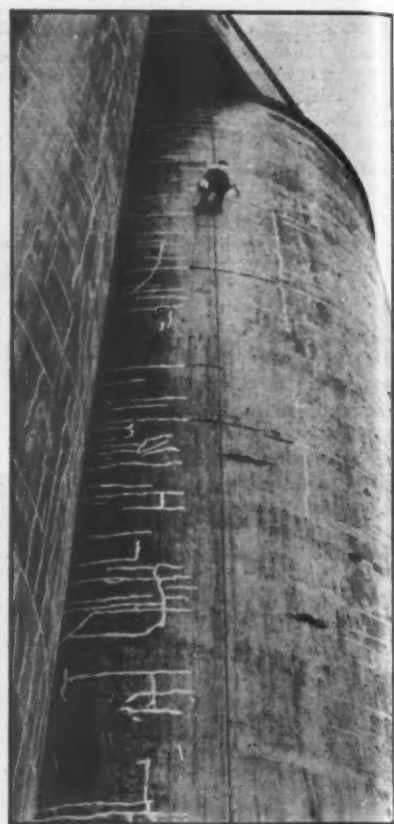
Of course, you may never have occasion to buy a tapered, tubular steel pole—but, when the war is over, you may be able to use *with profit* the engineering and designing skills which created and produce them. Perhaps, then, your products, too, can be made better, faster and at less cost—the Union Metal way.

Your inquiries are invited by The Union Metal Manufacturing Co., Canton 5, O.

**BUY MORE
WAR BONDS
and
keep them**



UNION METAL
Craftsmen in Steel Fabrication



PLUGGING UP A CROP

At Buffalo, a workman (above) caulks up the cracks of a grain elevator—one of the safety measures being taken to assure weather-tight storage. Confronted with a record wheat crop, farmers, granaries, and railroads are successfully shoveling their way out of the grain drifts that almost snowed them under (BW—Jun.30'45,p26).

manufacturers with 58%, and makers of processing and servicing equipment with 56%.

However, this means that such industries should prove to be good markets for new or surplus government tools.

• **West Coast Gains**—The substantial expansion that has taken place in the West Coast's industries during the war is indicated by the survey. The number of tools in the Pacific area (including Washington, Oregon, and California) has more than tripled since 1940 to 91,633 for 1945. What further strengthens the West's position is that only 29% of its tools are more than ten years old, which means that it is better off than the three most heavily industrialized areas in the country: the East North Central (33%), the Mid-

dle Atlantic area (41%), and the New England area (57%).

The West Coast, however, still only has 7.8 machines per 1,000 population, whereas the East North Central area has 32.9 per 1,000 population, New England 24.2, and the Middle Atlantic area 13.6

• **Other Areas**—The dispersion of war plants in recent years has proved to be a similar boon to the East South Central, the West South Central, and the Mountain areas, but to lesser extents than the expansion on the West Coast.

All told the \$4,046,348,000 worth of tools produced from 1940 to 1944 represented more tools than were produced in the United States in the previous forty years. Some 827,431 tools were produced for domestic retention from 1940 to 1944, inclusive, while an additional 121,404 new tools were shipped overseas during those years. But most of the 1940-44 output went to the government.

PROBLEM FOR FLORIDA

To Miami, redeployment of troops from Europe will mean an inpouring of air-transported soldiers. At peak, arrivals at a single airport are expected to total 1,000 a day. And, in consequence, Florida's railroads, bus lines, and air lines are likely to be confronted with the biggest problem in their history.

Each winter since the war started, tourists have been warned that they might have trouble getting home from Florida. Next winter, unless the warnings are heeded the tourists are apt to find themselves completely stranded.

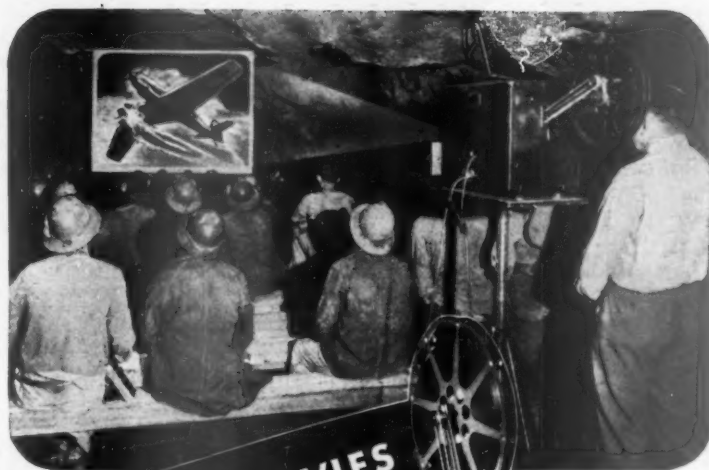
Paradoxically, the moving of service personnel from the area and the shutting off of war contracts will leave, for the first time since Pearl Harbor, a surplus of living accommodations for tourists. And the tourists will be available, but the transportation won't.

Real estate editors and others are already warning South Florida residents that they will have to expect a recession in business next winter, and that inflated prices of homes will drop sharply.

MEDICAL BAEDEKER

A guide to all the tropical, Asiatic, and other foreign diseases to which servicemen may have been exposed has been prepared by Dr. E. H. Carleton, medical director of Inland Steel Co., to aid his department and other interested physicians in early detection of such ills among returning veterans.

Listed by continents, regions, sections, and localities, the index notes diseases endemic to each area. Another section lists the little-known diseases alphabetically and describes succinctly the



Filmosound MOVIES

STEP UP PRODUCTION

Yes, it's a fact! In war industries throughout the United States and Canada, Filmosound-projected motion pictures have repeatedly increased man-hour and machine-hour output.

How?

Well, Filmosound Movies give easily understood training on *how* to do specific jobs better and faster.

They show *why* doing home-front jobs more efficiently is saving our fighters' lives.

They point out how inseparable the home-front and war-front really are.

A great part of the success of sound motion pictures in industry is due to Bell & Howell Filmosound Projectors—preferred because of their professional performance, lasting dependability, easy, cooler operation.

So, if your plant is not getting the stimulus movies could furnish, let us help you plan a practical program. No cost, no obligation. Simply pin the coupon to your letterhead.

War Industries Can Buy Filmosounds NOW

Priority ratings of AA1 will get you early delivery on today's improved, cooler Filmosound 16mm. sound-on-film projectors. It's because these machines have proved so helpful in production-stimulating programs, that war industries' needs are rated second only to the direct requirements of our Armed Forces.

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Buy and Hold More and More War Bonds

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Please arrange to help us plan: () for production-stimulating use of motion pictures; () for postwar sales or sales-training uses of films; and/or please send: () information on improved Filmosound projectors; () Filmosound Library catalog of films.

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Address.....
City..... State.....

BW 7-7-45

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PRECISION-MADE BY



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Switch to Corrugated

That's what hundreds of manufacturers have done during the past 40 years, it's what hundreds more will do in the post-war period. Corrugated board has won its stripes in the packaging of war materials. War packaging lessons point to the fact that in the future, more and more civilian goods will be shipped in corrugated boxes than ever before. Products previously packed in other types of containers will continue to be packed in attractive, economical, colorful corrugated.



H-D Post-War Packaging Idea—DISPLAY MAILER

Corrugated board has replaced other packing materials in many industries. The box illustrated cut original packaging costs 65% and the increased compactness brought considerable additional saving of shipping space. Check your packages to see if you have a product that can be packed better and shipped more safely in corrugated. For more information, send for our booklet "How to SHIP More Economically in Corrugated Boxes."

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cause of such infection, nature of infecting organism, symptoms, and after-effects.

This guide, used in conjunction with detailed data on the veteran's life in service, including all places visited, facilitates correct diagnosis and standard treatment.

Implementing this program, Inland is questioning all returned veterans it hires, including those returning to prewar jobs, to build up a complete record for possible future use.

Ickes Stymied

Interior Dept. power plans for north-central California upset when Congress refuses funds for engineering costs.

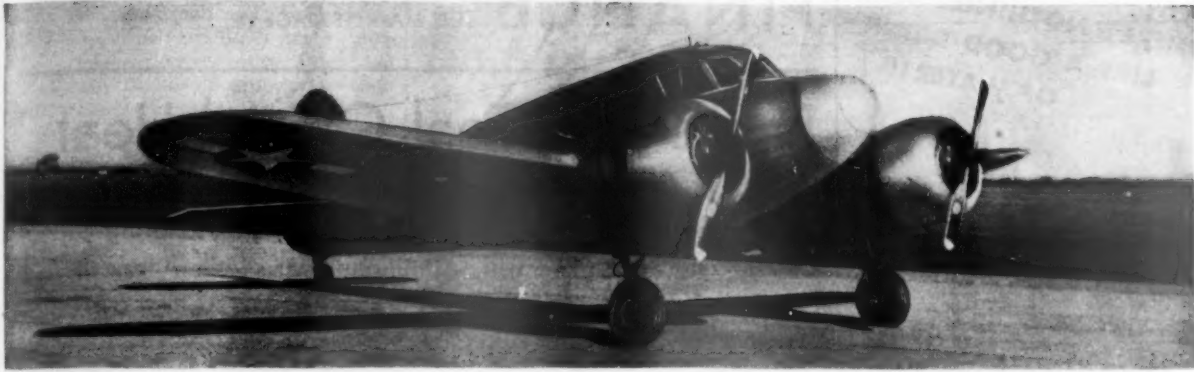
The Interior Dept.'s plans for electric power expansion in north-central California have been blocked by the refusal of Congress to appropriate \$215,300 for designing a steam-power plant in the San Francisco Bay area and a transmission network from Shasta Dam through California's Central Valley.

• **P. G. & E. Advantage**—The refusal represented a victory for James Black, president of the Pacific Gas & Electric Co. and one of the few private power operators for whom Secretary of Interior Harold L. Ickes has ever said a kind word.

The department's power planners insist that failure to build either the steam plant (to supplement the output of Shasta Dam), or the transmission lines, will leave P. G. & E. the only purchaser for Shasta energy, and thus able to buy on its own terms. All Shasta's output currently goes to P. G. & E. under a wartime contract.

• **Offer Sways Congress**—Black told the House Appropriations Committee that it isn't necessary for the government to spend \$75,000,000 on these projects. P. G. & E., he said, would firm up whatever Shasta energy the Interior Dept. could sell to its preferential customers—the municipals and rural co-ops—and buy the remainder at firm power prices. The company would take Shasta energy at the dam, he said, and deliver it at any point desired over its own existing transmission system.

The P. G. & E. president's argument impressed enough of the economy-minded members of Congress to kill appropriation of planning funds in a fight on the House floor, and Senate conferees agreed to junk the amendment the upper house had written into the Interior bill making the funds available.



Twin-Engine Cessna Airplanes

\$3900 TO \$8500

**Sale of Government Surplus Property Through
Reconstruction Finance Corporation**

A large, comfortable cabin, coupled with twin-engine safety, and the ability to get in and out of small airports give this airplane general utility value.

It operates on 73 octane gasoline and cruises at approximately 140 m.p.h. This plane is suitable for business transportation, light cargo, pilot training, or personal use.

This aircraft is a low-wing monoplane of composite wood, steel and fabric construction and is powered with two Jacobs Model L4MB engines, of 225 horsepower each. These Army models, designated as UC-78 and AT-17 (commercial model T-50), are type-certificated but individual planes must be repaired and modified to meet Civil Aeronautics Administration airworthiness requirements for civilian flight.

Information concerning sales procedure, location of aircraft, and price, may be obtained from your nearest Sales Center.

PRICE DETERMINATION

Prices for these planes have been set to make allowances toward modifications, repairs and overhaul. The \$8500 price is for planes equipped with constant speed propellers, and a wing which is eligible for CAA approval to permit a 5400 pound gross weight. Prices are lower for planes equipped with fixed pitch wood propellers and/or a wing designed for a 5100 pound gross weight.

SALES CENTERS

(Cities listed alphabetically by States)

LOCATION	AIRPORT
Birmingham, Alabama	Municipal
Phoenix, Arizona	Thunderbird II
Tucson, Arizona	Ryan
Wickenburg, Arizona	Echeverria
Pine Bluff, Arkansas	Grider
West Helena, Arkansas	Thompson-Robbins
Blythe, California	Gary
Concord, California	Sierrita
Fresno, California	Chandler Field
Hemet, California	Ryan
Ontario, California	Cal-Aero
Denver, Colorado	Rutledge
Miami, Florida	Chapman
St. Petersburg, Florida	Ludwig-Sky Harbor
Americus, Georgia	Souther
Augusta, Georgia	Bush
Douglas, Georgia	Municipal
Lansing, Illinois	Ford-Lansing
Indianapolis, Indiana	Sky Harbor
Davenport, Iowa	Cran
Wichita, Kansas	Municipal
Baton Rouge, Louisiana	E. Baton Rouge Parish
North Grafton, Massachusetts	North Grafton
Lansing, Michigan	Capitol City
Minneapolis, Minnesota	Victory
Clarksdale, Mississippi	Fletcher
Madison, Mississippi	Augustine
Cape Girardeau, Missouri	Palmer
Kansas City, Missouri	Municipal
Robertson, Missouri	Municipal
St. Louis, Missouri	Harvey Park
Helena, Montana	Municipal
Omaha, Nebraska	Municipal
Reno, Nevada	Reno
Readington, New Jersey	Solberg-Hunterton
Albuquerque, New Mexico	Army Air Field
Albany, New York	Albany
Rochester, New York	Municipal
White Plains, New York	Westchester County
Charlotte, North Carolina	Cannon
Akron, Ohio	Municipal
Cincinnati, Ohio	Lunkin
Muskogee, Oklahoma	Hat Box
Oklahoma City, Oklahoma	Cimarron
Ponca City, Oklahoma	Municipal
Portland, Oregon	Portland-Troutdale
Pittsburgh, Pennsylvania	Bettis
Bennettsville, South Carolina	Palmer
Camden, South Carolina	Woodward
Sioux Falls, South Dakota	Sioux
Jackson, Tennessee	McKellar
Union City, Tennessee	Embry-Riddle
Ballinger, Texas	Bruce
Corsicana, Texas	Corsicana
Cuero, Texas	Municipal
Fort Stockton, Texas	Gibbs
Fort Worth, Texas	Hicks
Houston, Texas	Municipal
Lamesa, Texas	Lamesa
San Antonio, Texas	Municipal
Stanford, Texas	Arledge
Vernon, Texas	Victory
Salt Lake City, Utah	Municipal No. 1
Alexandria, Virginia	Hybla Valley
Morgantown, West Virginia	Municipal



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LIKE A GOOD DRINK
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The same, staunch, heavy-duty construction assures unfailing dependability and long life in essential civilian installations of these fine dispensers of cool, refreshing water. Sunroc has led the way since 1936 in building water coolers for the Government, and for business and industry before that.

We'd like to tell you more about these modern fountains-of-refreshment. Write to Dep't BW-3 for our free booklet. Sunroc Refrigeration Company, Glen Riddle, Pa.

"THERE'S NOTHING LIKE A GOOD DRINK OF WATER"

SUNROC
Water Coolers

FINANCE (THE MARKETS—PAGE 118)

Banks Will Feel Official Heat

Washington, refusing to concede that ten-to-one ratio is a dead letter, will press for increased capitalization to bring capital structure more into line with institutions' war-swollen deposits.

In recent years, radical changes in the composition of bank deposits and investments have caused marked revision of the unwritten safety codes which long served as guideposts for the banking business. Particularly forgotten has been the time-honored precept that each \$10 of deposits be protected by at least \$1 of capital and surplus.

Various federal bank supervisory officials, however, don't think the old ten-to-one rule is as outmoded as banks generally appear to believe. In fact, they are about to embark on a campaign to force so-called "undercapitalized" banks to sell "voluntarily" enough additional stock to bring their capital funds much more into line with their war-swollen deposits.

The first step in this campaign is expected to be a critical reference to the under-capitalization of banks generally in the forthcoming annual report of the Federal Deposit Insurance Corp. This will be accompanied by a strong recommendation that bankers take steps now to correct such unfavorable positions. Comptroller of the Currency Preston Delano will also send out letters to all banks under his supervision, urging directors to expand their capital structures.

Whether this campaign will bear much fruit remains to be seen, but there are strong indications that, if persuasion doesn't work, legislation may be sought. In fact, some reports indicate that Congress may be asked to pass



WASHINGTON KEEPS A WATCH ON THE RHINE

Festooned with debris from multiple bombings, the nitrogen plant of I. G. Farbenindustrie at Ludwigshafen, Germany, nevertheless is producing military needs under U. S. Army requisition. While 65% of the buildings of the \$450,000,000 Ludwigshafen works were damaged, only an estimated 30% of the machinery was wrecked. More than 4,000 Germans are employed in making repairs and turning out Allied wants at the Rhine plant, but rehabilitation of Farben properties proceeds cautiously. To the U. S. Dept. of Justice, the Farben industry—known to have working agreements with industries in other nations—is synonymous with cartel, and a target in long-standing legal battles.

a law that would require banks to leave their books open whenever any authorized capitalization remained unsold, so that an investor could drop in any time and buy some of the unissued stock.

• **Some Reasons Why**—Obviously, however, there are some very definite reasons why banks generally have let the old ten-to-one rule lapse in recent years and why, as a result, capital funds, a bank's main cushion against possible losses through deterioration of assets, have not shown the same rate of increase as deposits.

Ever since the war began its unprecedented stimulation of the nation's economy, bank deposits have been skyrocketing. There are few sections of the country that can't boast of 125% to 150% gains in deposits since Pearl Harbor.

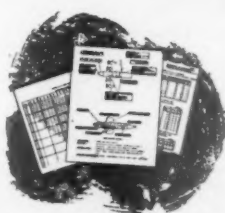
• **From 11.2% to 6.3%**—Obviously, for the deposit-capital funds ratio to have kept pace with such soaring deposits, a vast expansion of capital would have been necessary. Banks did what they could to strengthen their capital positions by retaining most of their earnings in the business (to the great delight of the many in high income-tax brackets who held bank stocks). But they sold relatively little new stock for that purpose, and by the end of 1944 the deposit-capital ratio of all banks in the Federal Reserve System, which stood at 11.2% in 1939, had dropped to only 6.3%.

Even if the banking industry had wished to sell more stock in those years, it is extremely doubtful if all the new capital needed to maintain a ten-to-one position could have been obtained from the public in the 1942-44 period. Only during the last two years, probably, could any substantial amount of such funds have been gathered by stock-selling (BW—Dec. 4'43, p104).

• **Still Reluctant to Act**—Now that sales of bank stocks should be relatively easy to arrange, most institutions still show little inclination for such action. Nor do they see any real reason why they should act now.

The old ratio no longer has the same significance to them, since most of their "risk assets" (commercial loans and corporate securities) have shrunk so considerably and their resources have become so largely represented by U. S. government obligations, including many short term issues, as well as cash items.

To support their view, they point to a consolidated statement of all active national banks at the close of 1944. This showed 60% of total deposits secured by holdings of government obligations and an additional 24% covered by cash assets. As a result, banks generally fail to see how a depositor could ask for



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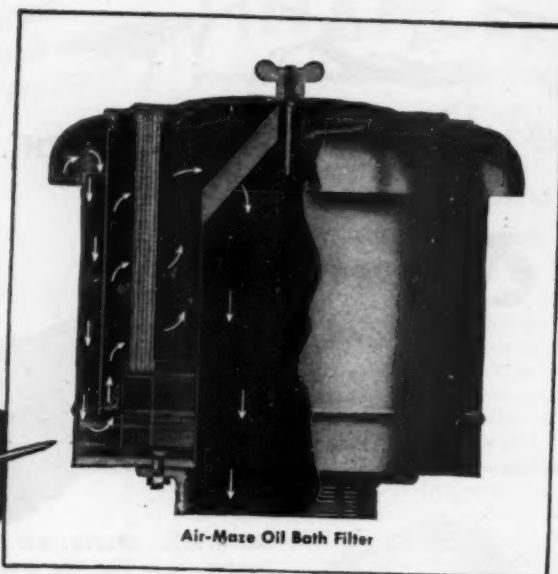
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Air-Maze Oil Bath Filter

Air Filter QUIZ

for engine and compressor engineers

1. HOW HIGH IS THE DUST ARRESTMENT?

Practically all popular filters for air intakes of engines, compressors and blowers have efficiencies ranging between 95% and 99%. But there are other important considerations in the selection of an air filter.

2. IS IT ALL METAL? All metal filters resist deterioration. Air-Maze all metal filters use a media of crimped metal screen mesh which does not "pack down", and density of media is the same throughout every square inch of filter surface. Metal filters are better able to withstand engine backfires.

3. DOES IT OPERATE ON THE VISCOUS-IMPINGEMENT PRINCIPLE? Air-Maze Filters do. They permit large air flow in small space and are not affected by moisture or oil-laden air.

4. IS IT AN OIL BATH TYPE? Most industrial applications demand the greater dirt-holding capacity and less frequent service of an oil bath filter. Air-Maze Oil Bath Filters vary in size from breather filters to large industrial units.

5. DOES IT HAVE LOW RESISTANCE TO AIR FLOW?

The advantage of low pressure drop is obvious. Because of the cylindrical design of Air-Maze Filters, the average drop in oil-wetted types is less than $\frac{1}{8}$ " w.g.; in oil bath types, less than 2" w.g.

6. CAN THE FILTER BE DISASSEMBLED AND CLEANED? A simple servicing operation restores oil-wetted filters to their original efficiency. The continuous washing action in oil bath filters keeps the filtering media clean and efficient. Air-Maze Oil Bath Filters are designed so that they can be easily and quickly disassembled and cleaned when necessary.

★ ★

You get engineered filtration in every Air-Maze Filter. More than 3,000 Air-Maze products assure proper selection of the filter for special application. Your Air-Maze representative will recommend the best filter for your needs. Air-Maze Corporation, Cleveland 5, Ohio. Representatives in principal cities. In Canada: Williams & Wilson, Ltd., Montreal, Quebec, Toronto, Windsor; Fleck Bros., Ltd., Vancouver.

IF IT USES AIR...USE
AIR-MAZE
ENGINEERED AIR FILTRATION



• Oil bath type filters and filter-silencers • Cleanable filter panels for airborne dirt, oil, grease and liquids • Oil-wetted type filters and filter-silencers • Exhaust spark arrestors • Glow cage, crankcase and in-let vent breathers • Oil-separators for engine crank cases • Full-Flow type cleanable oil filters.

any more protection than he is already receiving.

• **Looking Into the Future**—It isn't the present, however, that worries Treasury and FDIC officials. They are well aware that, due to war conditions, bank assets of necessity have gradually come to consist largely of government bonds, government-guaranteed paper, and cash; that a bank's "risk assets" are few; and that earnings have only risen to high levels since banks, after some hesitation in the early war days, began to acquire well invested positions in government issues.

Instead these officials have in mind the postwar years and the uncertainties they may bring. Consequently, they believe strongly that bank managements must now reappraise the relationship of their capital to deposits with an eye on changed conditions that can come if banks are again to assume the responsibility, plus the "risks," of providing credit for industry and agriculture.

• **The Hard Way**—When their "riskless" job of financing a nation at war ceases eventually, the banks must again engage in the much harder and more difficult business of making normal loans and supplying normal credit needs. This shifting of emphasis from nonrisk government bonds and other financing to normal loans, Washington officials insist, will take more capital than the banks now have available.

Consequently, they are determined to force the industry to do something to rectify that condition before the peace years arrive and preferably to do it now, when the great pressure of idle money seeking investment should make the task easy.

• **Increase in Earnings**—Last year bank operating profits rose sharply above 1943 levels and, on the average, were the best since 1929 (BW—Jun. 24, 1945, p. 82). Net operating earnings plus securities profits and recoveries were even higher than in 1929 in many cases, and the rise noticeable in 1944 earnings has since been attracting considerable attention in regulatory circles.

Early this year, in fact, Allan Sproul, president of the Federal Reserve Bank of New York, sounded a note of warning with respect to increased bank earnings. Sproul indicated that banks could accept the greater prosperity coming their way without "undue embarrassment" only if they remembered the rights of the three main groups having an interest in their profits—employees, customers, and stockholders. He urged the banker to keep in mind the need for future adjustments in salary and loan rates, interest paid on time deposits, and customer service charges.

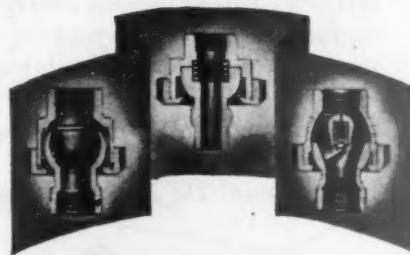
• **Washington Suggestions**—Washington authorities recently indicated that the

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THROUGH RESPONSIVE MOVEMENT



Modern industry and modern transportation alike depend on controlled circulation of vital fluids . . . oil, gases, water, steam. For these arterial systems, Barco Flexible Joints have provided necessary protection for over 30 years . . . guarding these mechanical "life-lines" against vibration and shock . . . compensating for contraction and expansion. For complete information, write to Barco Manufacturing Company, Not Inc., 1830 Winnemac Avenue, Chicago 40, Illinois. In Canada: The Holden Co., Ltd., Montreal, Canada.



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Not just a swivel joint . . . but a combination of a swivel and ball joint with rotary motion and responsive movement through every angle.

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EVERY

DIRECTION"



More than 20 Portlands in the U.S.A.!

WHICH Portland do you have in mind? The item you want to Express is valuable, to you and its consignee. Pause a moment! Take another look at the address and ask yourself—"Is this shipment clearly and securely marked?" A few moments spent in making sure can prevent unavoidable delays—and even loss. It is the address which guides the shipment to its destination. For further information, inquire of your local Railway Expressman. He is a good man to know.

BUY MORE

WAR BONDS



NATION-WIDE

RAIL-AIR SERVICE



FOR THE BLIND

Previously made by hand, Braille typewriters for the blind are being produced in quantity for the Braille Institute of America. One Los Angeles subcontractor of plane parts has begun machining and assembling parts; most of the output will be earmarked for the Veterans Administration. Large-scale production of the machine, which has only six keys and a space bar, is expected to lower the cost of units below that of conventional portable typewriters.

banks might well share their present prosperity by reducing service charges and raising interest on customers' time deposits. The industry, however, still denies that its earnings as a whole are unduly large.

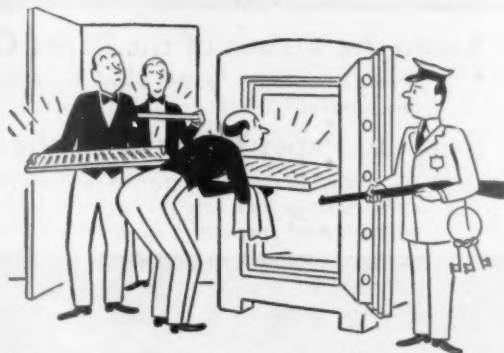
One quite prominent spokesman, miffed over Washington's suggestions, has since argued that, aside from non-recurring recoveries and security profits, earnings recently had only made up a little more than half of the decrease experienced between 1929 and 1935.

• **A Ceiling on Earnings?**—Despite the protestations, however, there is considerable sentiment in some official quarters for putting a ceiling on future bank earnings by subjecting them to a continuation of the excess-profits tax for some time after the war ends. Also, it has been suggested that banks from here on should be compelled to invest only in a new special low-interest government issue.

Being so reluctant to sell new stock to improve their deposit-capital funds ratio hasn't helped the banks in this connection. Instead, it is being officially contended that last year's high earnings rate actually reflected the "under-capitalized" condition which the banks say doesn't exist. This will be one of the chief arguments used to induce the selling of new stock by banks during the coming campaign.



1. A meal is not a meal without knives, forks, and spoons . . . and plenty of them! So Hotel Pennsylvania always saw to it that each guest had set before him a full quota of glistening silver. Just the right implements for each delectable dish on our famous Statler menus!



2. Old Lady Etiquette herself couldn't have laid out a nicer place setting. Then came the war, and silver became impossible to replace. We lavished loving care on our knives, forks, and spoons, so guests could still enjoy perfect place settings.



3. Even so, tableware began to deteriorate. The silver rubbed off of spoons, fork tines got bent and broken, handles began to drop off of knives . . . until we could no longer set the perfect, gleaming places to which Hotel Pennsylvania guests had become accustomed.



4. Of course, no guest has ever had to use chop sticks, or eat with his fingers. We still have an adequate supply of clean, shiny table silver, so that when you visit us, you won't have to stir your coffee with a knife handle.



5. There'll come a day when we can once again set the magnificent table of silver that you appreciate. Just as the time will come when *all* services will once more be not merely good—but *outstanding*! Meanwhile, we continue to bring you the essential comforts and conveniences. And we do it so well that people tell us they scarcely notice the difference!



**YOUR DOLLARS ARE URGENTLY
NEEDED FOR U. S. WAR BONDS**

Asked the Visitor of the Paper Chemist:

Why do you call it "cotton fiber" paper instead of "rag-content" paper?

Said the Paper Chemist to the Visitor:

Because all Parsons Papers are made from new, clean cotton cloth cuttings and new cotton fiber. Rag-content paper may be, and frequently is, made with old, used rags.



"You see, the fibers in old rags are always worn and weakened by the time the mills get them. Much stronger bleaches must be used on old rags than on new cotton cuttings—and this further weakens the fiber. Our cuttings come largely, as a matter of fact, from men's shirt factories. The cotton fiber used is fresh from the cotton mills."

That's why Parsons bond papers—used mainly for stationery and documents—are superior in feel, in writing and erasing qualities, in strength, durability and permanence. These are Parsons bond papers—available

in the various sizes, weights, colors and finishes permitted by W.P.B.:

OLD HAMPDEN BOND, 100% cotton and linen fiber.

PARSONS BOND, 100% cotton fiber.

L'ENVOI, 100% cotton fiber.

LACONIA BOND, 75% cotton fiber.

EDGEMONT BOND, 50% cotton fiber.

HERITAGE BOND, 25% cotton fiber.

When you buy stationery, specify PARSONS. Then you'll have the finest cotton content paper, made by a mill that specializes in paper for modern business, made to reflect and record the *quality* of your organization, your business, your profession.

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PARSONS PAPER COMPANY • HOLYOKE, MASSACHUSETTS

Merger in Steel

Colorado Fuel & Iron and Wickwire Spencer's plans for consolidation await approval of company stockholders.

The often denied plans to merge Wickwire Spencer Steel Co. and the Colorado Fuel & Iron Corp. (BW—May 5 '45, p80), two steel units dominated by interests headed by Charles Allen, Jr., senior partner of the Wall Street firm of Allen & Co., are now nearing actual fruition. Merger proposals of C. F. & I. finally have been accepted "in principle" by the Wickwire Spencer directorate and formal terms of consolidation may soon be submitted to stockholders of each company for action.

• **Stock Split Proposed**—By the terms of accepted preliminary proposals, C. F. &

Really the Mighty Seventh

Complete returns on the exact amount of war bonds purchased during the last seven weeks' campaign won't be available for a few days, but even now there is no doubt as to the great over-all success scored by the Treasury in its Seventh War Loan drive.

The previous \$21,621,000,000 campaign record, rung up in the sixth loan, was eclipsed by a good margin a few days before the drive formally closed last Saturday and many officials now believe that the final tally may reach \$22,500,000,000 (cover), \$8,000,000,000 more than the original quota.

The campaign, however, wasn't without its disappointing features. For one thing, although bond purchases by individuals exceeded the \$7,000,000,000 record-breaking quota set up for them, sales of the E bonds, the main target of the drive, didn't do nearly so well as the Treasury had hoped that they would.

Also upsetting to the Treasury was the emergence of definite signs, toward the end of the drive, indicating the presence, despite efforts to thwart them, of many "free-riders" (those who borrow at low rates of interest to buy the new marketable issues offered at par with the sole idea of selling them at a premium soon after the drive ends).



OFFICIAL U. S. NAVY PHOTO

This ship had no right to live... but she did!

This is your aircraft carrier *Saratoga*—the oldest in the fleet.

She was one more entry on a swelling list of American ships . . . *ships so badly damaged that they have no right to live!* According to all rules and experience, her hurts were grievous enough to put her on the bottom.

But *her* crew of American seamen collectively refused to recognize the rules.

They brought her back!

The survivors of what should have been her death, brought her back more than 5000 painful miles so that her shattered flight decks could be mended, her ripped plates replaced, her seared superstructure and hangar deck renewed. They brought her back because they had implicit confidence in American ability to repair and refit her.

They brought the "*Sara*" back so she could fight again!

The "*Sara*" is back in action, today!

But here's the sore spot: A lot of critical ships *aren't* back in action! American shipyards are jammed with battle-damaged shipping. The pressure of repair work on fighting and supply ships mounts every day. The need for skilled workers to keep up repair schedules is terribly urgent.

How soon these ships return to action, depends on us at home. On how well we understand the stupendous naval problems of the Pacific:

- ✓ It takes 3 ships in the endless Pacific to do the supply job that 1 ship did in the Atlantic.
- ✓ 6 to 11 tons of supplies are required to place a man in the Pacific theater—an additional ton per month to maintain him.
- ✓ Yet under ideal conditions, a supply vessel can average but 2 round trips per year.

✓ In taking the shortest route to the nearest base capable of repairing them, some of our ships have had to sail $\frac{1}{2}$ the circumference of the world.

But after 170 years of dealing with the American temper, the Navy is confident that the schedules *will* be maintained . . . that the damaged ships will be put into action again before Japan is whipped. And the Navy knows its Americans.

Didn't they bring the "*Sara*" back?

SPERRY

CORPORATION

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FORD INSTRUMENT CO., INC.
SPERRY GYROSCOPE CO., INC.
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Waterbury Tool Division, VICKERS INC.



How ACCO products help make these landings

Official U. S. Coast Guard Photo

SUCCESSFUL INVASIONS require plenty of courage, plenty of mechanized equipment. Many young men from American Chain & Cable, now in the armed forces, help supply the courage. The men and women who make ACCO products help supply the equipment.

Ships and landing craft use Reading-Pratt & Cady valves, Wright and Ford hoists. They are equipped with debarkation ladders made from American chain, which is also used for decking, lashing, towing and mooring. Barrage balloons are controlled with American Cable or Hazard wire rope. On shore, motorized vehicles are equipped with Weed tire chains, Tru-Stop emergency brakes, American Cable or Hazard winch lines.

These are only a few of the primary products made by the 15 divisions of ACCO—products vital in war, essential in peace: Chain • Wire Rope • Aircraft Cable • Fence • Welding Wire • Cutting Machines • Castings • Wire • Springs • Bolts & Nuts • Hardness Testers • Hoists & Cranes • Valves.

ACCO

BUY WAR BONDS



AMERICAN CHAIN & CABLE • BRIDGEPORT CONNECTICUT

I. stockholders would be called upon to approve (1) a splitting up of the company's present 563,620 outstanding shares of no-par common stock on a 2-for-1 basis, and (2) a corresponding increase in the number of shares now authorized. Also, they would be asked to authorize a brand-new issue of \$20-par 5% cumulative preferred which would be convertible at a holder's option into an equal amount of the new common stock.

It is then proposed to offer 1.1 shares of the new C. F. & I. convertible preferred for each share of Wickwire Spencer's only issued stock (its \$10 par common). Pending actual completion of the merger it has also been agreed that a future \$1 dividend can be declared on Wickwire Spencer stock and that C. F. & I. can continue to pay quarterly dividends on its own shares.

• **\$80,000,000 Assets**—Based on the companies' 1944 year-end figures, a Wickwire Spencer-Colorado Fuel & Iron merger would create a new unit producing a line of both heavy and light steel products and having assets of approximately \$80,000,000.

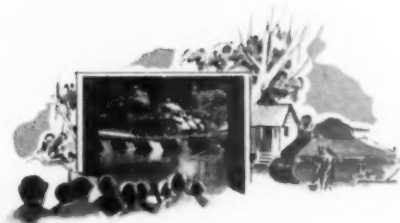
Last year Wickwire Spencer appeared to be the more profitable of the two properties, since on sales of around \$26,000,000 it rolled up a net profit of more than \$1,500,000 (\$3.18 a share), compared with the \$2.97 a share (\$1,672,000 net) reported by C. F. & I. on sales of \$56,000,000.

• **Blueprint for Geneva**—Ambitious to dominate the western steel industry picture, C. F. & I. has implemented its bid for the Defense Plant Corp.-owned Geneva (Utah) steel plant (BW—Mar. 14'45, p36) by submitting a detailed plan of operation to DPC.

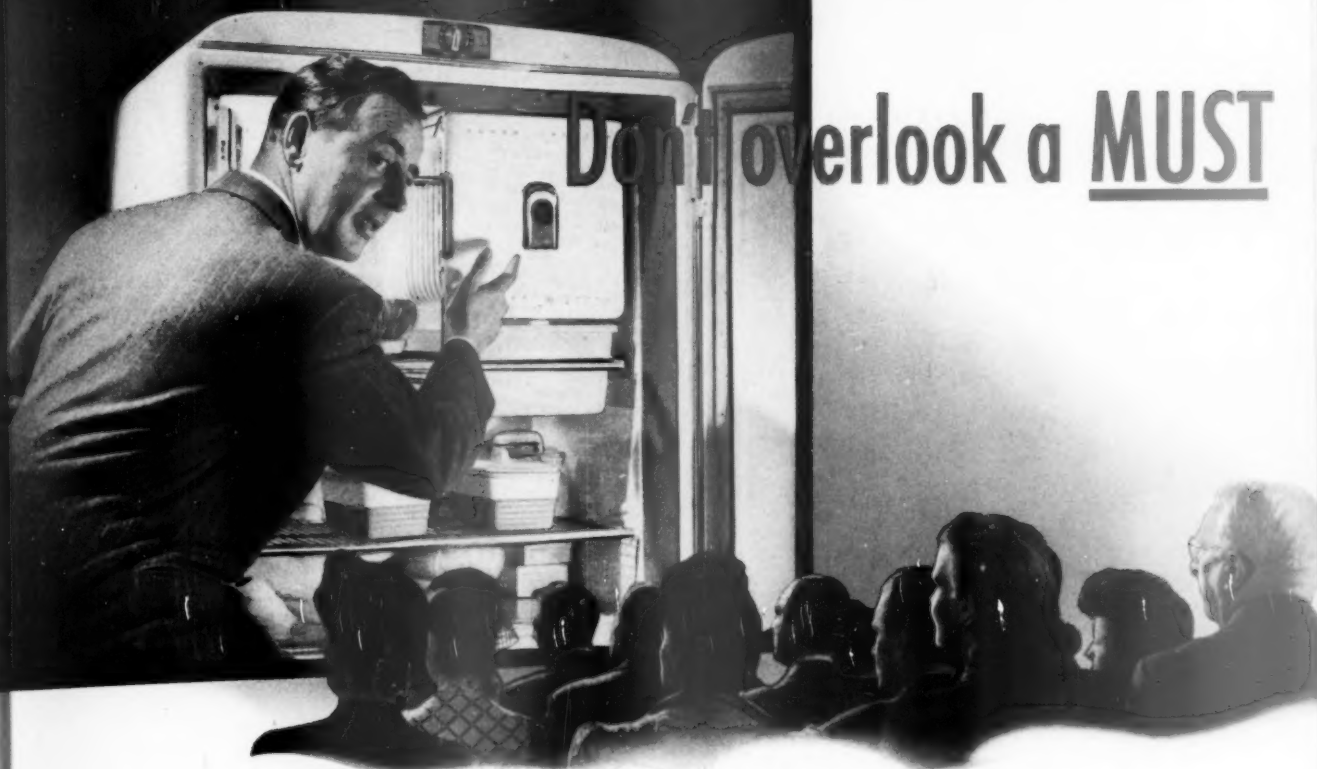
U. S. Steel Corp., now operating Geneva, has also bid on the \$200,000,000 plant (BW—Jun. 9'45, p17), and so has Henry J. Kaiser.

C. F. & I. figures DPC should spend \$73,000,000 to give Geneva the facilities for turning out peacetime products. This would include \$48,000,000 for a sheet, strip, and tin plate mill; \$1,250,000 for a butt-weld pipe mill; \$9,500,000 for a plant to make freight cars and accessories; \$2,750,000 for a railroad steel car wheel plant; \$3,000,000 for a railroad car axle plant; \$500,000 for a railroad flat leaf and helical spring plant; and \$8,000,000 for power and other service facilities.

Geneva's practical capacity, says C. F. & I., is 700,000 tons of finished steel divided as follows: 105,000 tons for structurals; 100,000 for tinplate; 120,000 for plates; 162,000 for sheets and strip; 48,000 for butt-weld pipe; 45,000 for car wheels, axles, and springs; and 120,000 for products going into freight car manufacture.



Don't overlook a **MUST**



**Distinguished war service earns PRIMARY role
for films in aggressive selling and promotion**

ASK any Army or Navy man in charge of troop morale or war-worker incentive programs. Ask men in charge of industrial training. Ask the G. I. All agree that motion pictures are the quickest, most graphic, most convincing way of transmitting ideas and information.

"Quickest...most graphic...most convincing"—these words mean plenty to a sales manager, sales engineer, or salesman . . . quickly tell why promotional films are being called *the most powerful sales merchandising medium available today . . .*

Opportunities opened by promotional films grow wider every day, literally shout for consideration. Improved distribution has lowered costs. Yes, motion pictures and slide films . . . in Kodachrome or black-and-white . . . must find a way into your firm if you are to meet tomorrow's vigorous competition.

Now is the time to organize writing and creative work. Get in touch with your commercial producer . . . he's a specialist in the field. Don't overlook a must.

EASTMAN KODAK COMPANY
ROCHESTER 4, N. Y.

Sales-Promotional Films

DRAMATIZE . . . DEMONSTRATE . . . CONVINC

Kodak

OCTOBER 2, 1941



WE RENEW OUR PLEDGE

Two years ago, at the beginning of the present war with its uncertainties and threats to the future of all industry, this Company publicly pledged itself not to increase its selling prices.

On this, the second anniversary, we again publicly renew that pledge.

During the last two years we have not only kept the pledge previously made, but *we have actually reduced our selling prices by more than 6%* because of more efficient operation made possible by the marvelous cooperation and ability of our organization. This was accomplished in the face of rising labor and material costs, both of which have been increased by considerable amounts.

It is our belief that the only hope for the continuance of the present industrial system now threatened from within and without is in its ability to give more and more to the consumer for less and less of his dollar. This is the strength of American individual initiative. This is the hope of our country's future. If American industry can accomplish this universally, we need not fear dictators either at home or abroad.

THE LINCOLN ELECTRIC COMPANY

Cleveland, Ohio
October 2, 1941

J. F. Lincoln
President



STATEMENT OF POLICY

The world is entering a crisis, the result of which no one can foresee. Other wars have brought inflation, followed by unemployment and depression after peace was achieved. America's experience in the World War illustrates this fact.

Much of this post-war trouble would have been eliminated by a more foresighted price policy on the part of manufacturers and distributors. Price inflation, by the seller when he had a dominant position resulted inevitably in reaction with deflation, depression and suffering. Many of those price increases were not warranted.

Before such an inflationary cycle of prices is again started, we publicly pledge ourselves, as far as possible, to maintain present prices.

Further, if the materials we buy are increased in price, or the cost of labor is increased, then we pledge ourselves to raise selling prices no more than the bare increase in cost of raw materials and labor going into our products.

Further, we pledge ourselves to pass on to our customers the reduction in cost made possible by better manufacturing methods, wider distribution and technical advances in production.

THE LINCOLN ELECTRIC COMPANY

Cleveland, Ohio
October 2, 1939

J. F. Lincoln
President

OCTOBER 2, 1939



★ ★ OUR PLEDGE MAINTAINED ★ ★

On October 2, 1939, we announced the policy of "no increase in selling prices". A progress report made October 2, 1941, showed we actually had reduced prices by more than 6% during the period 1939 to 1941.

We have adhered to this policy of price reduction throughout the war years. Despite general increases in the costs of labor, materials and distribution . . . and despite governmental regulations . . . we have been able to maintain or reduce our prices throughout the entire period from 1939 to date.

This has been made possible by our incentive system . . . a method which, if it had been applied throughout industry, would have doubled America's output of war goods for a quicker Victory and would have cut the cost of the war by 50%.

America's future depends largely upon her *efficiency of production*. Our proved incentive system has in it the seeds of a satisfactory answer to the difficulties of this nature in industry.

THE LINCOLN ELECTRIC COMPANY

Cleveland 1, Ohio
May 7, 1945
Victory in Europe

J. F. Leavelle
President



MAKES IT EASY FOR

Women Workers

TO HANDLE HEAVY BARRELS AND DRUMS



IMAGINE a woman handling a 55 gallon drum almost as easily as pushing a vacuum cleaner. It's done with the Colson Drum Handling truck—the easy, safe way of handling barrels and drums of any size.

Drums or barrels are placed on the truck without lifting—and unloaded just as easily. In pushing, the load is directly balanced over the wheels so that the heaviest barrels are moved with minimum effort. Handle is shaped to protect the operator at all times. Instant adjustability of the hook permits handling any size drum or barrel from 24 to 40 inches high. The all-welded steel construction assures long life for the truck under the hardest industrial use. These trucks can be supplied to those with proper priorities.

★ BUY U. S. WAR BONDS ★



When idle, the Colson drum handling truck stands upright, taking little space.



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WHEEL CHAIRS • WHEEL STRETCHERS • INHALATORS • TRAY TRUCKS • DISH TRUCKS • INSTRUMENT TABLES

BUSIN

PRODUCTION

Next: Radiophone as You Ride

Communication service linking vehicles to offices and homes is expected to develop rapidly. Bell maps operation. Technique already tested in harbor circuits and taxicabs.

A dozen years hence—perhaps sooner—a truck driver on a rural highway, a motorist driving home from work may well be as accessible by phone as are the trucker's headquarters or the motorist's home today.

• **A Pair of Possibilities**—This new forward step in communication, technically feasible today, will be possible in two forms:

(1) Common carrier mobile radiotelephone service, operated by subsidiaries and affiliates of American Telephone & Telegraph Co. and integrated with the Bell System's wired phone network, permitting calls between any home or office telephone and any of Bell's mobile radiophones on trucks, cars, and other vehicles, or between the mobile phones.

(2) Privately operated radio communication circuits, chiefly for bus, truck, and taxi fleets; public utilities, railroads; large farms and ranches—anywhere that regular point-to-point phone communication is not available or is not practicable.

• **Where Ideas Diverge**—The Bell System, of course, hopes to make its service so comprehensive and economical that few organizations or individuals will feel the need to establish their own private radio circuits. Radio equipment manufacturers obviously have other ideas on this score.

Here's the way the Bell System's public radiophone service is expected to work:

Subscribers' vehicles will be equipped with low-power (perhaps 15-watt) transmitters and receivers operating on fixed wavebands. Their link to existing wired phones will be through radio "central offices"—higher-powered transmitters (250 watts) and receivers erected at strategic points about a city (along highways for rural service). Effective range of equipment used will be limited to a 25-to-35-mile radius.

• **Radio "Party Lines"**—The big transmitters will be able to send out more than one voice message at a time, each on its own waveband or channel, and each capable of being received only by vehicular receivers which are tuned to that waveband. A number of vehicles

will share each channel, giving them the radio equivalent of a "party line." In smaller cities, one transmitter may be sufficient; in larger cities more will be needed.

The radio central office will have a number of receivers scattered about the city. This is to insure clear reception of the voice signals from the low-power vehicular transmitters. The central office receivers also will be able to handle more than one voice signal at a time.

• **"Radiophone, Please"**—When Mrs. John Doe wishes to call her husband in his car, she will ask the operator for "Radiophone," or dial the Radiophone central office number. Just as in the early days of the telephone, she will probably simply tell the switchboard operator at the Radiophone central office to connect her with John Doe. (Later, as more and more vehicles get radiophones, John Doe's car probably will have a specific phone number.)

The operator will "plug in" on John Doe's radio channel and press the lever to ring a bell or light a lamp on his car's dashboard. Electrical impulses will be carried by wire from the switchboard to the transmitter and there transformed into radio waves which do the ringing or lighting. This apparatus will be selective, so that only his phone will ring—not those of others having the same waveband. (This is common on today's wired party lines.)

• **John Gets the Word**—Within easy reach of John Doe as he sits at the wheel of his car will be a handset telephone similar to the type now in wide use. When he lifts this off its hook and says "Hello," his voice signals will go out through his transmitter and be picked up by one or more of the central office radio receivers, and relayed from them by wire to the Radiophone switchboard. Then his wife's voice will follow the route traversed by the bell-ringing signal to reach Doe with instructions to stop at the bakery on the way home for a loaf of bread.

(All John Doe must remember to do is push a button on his phone when he wishes to talk, release it when he listens. This is necessary because vehicles will have only one antenna, preventing simultaneous receiving and transmitting.)

If John wishes to call his home, he will pick up his car phone and press the "talk" button. This will signal the Radiophone central office operator, who

FCC and A.T.&T. Differ on Frequencies

The Federal Communications Commission doesn't agree with American Telephone & Telegraph Co. as to the number of radio frequencies which will be required to handle public mobile radiophone service—a fact that A.T.&T. fears may hamstring such service.

• **A.T.&T.'s Suggestions**—In its statement to the FCC during hearings last fall on division of the radio spectrum for various uses and users, A.T.&T. suggested 188 channels be assigned for common carrier urban service, 32 for highway service. (Two channels, constituting one circuit, are required for a two-way conversation.)

But FCC, in its proposed allocation of channels (BW—Jan.20'45, p17), gave urban service only seven channels in the 156-to-162-megacycle range and highway service 24 in the 30-to-44-mc. range. It also said it may make certain frequencies

above 1,900 mc. available for experimental mobile urban service.

Objecting strenuously, A.T.&T. claimed the seven urban channels are "manifestly inadequate" in view of the "very substantial need" for such service. (It had estimated 200 channels would be needed in the New York City area alone.)

• **Slightly More Liberal**—In its final allocation (BW—May26'45,p96), FCC was slightly more liberal, judged from A.T.&T. standards. It increased its assignment of urban mobile channels from seven to 24 in the band from 152 to 162 mc., but said these 24 would include, on an experimental basis, twelve for development on a common carrier basis, four for trucks, and four for buses.

Channels for general highway mobile service were increased from 24 to 40, with 24 assigned experimentally for common carrier use, eight for trucks, and eight for buses.

Two Ways to Solve A Tough Packaging Problem



Your No. 1 customer, at this moment, is probably the United States Government. But you have new, peacetime products in mind. And besides problems of design and production, you are thinking about packaging. A set-up box to increase the unit of sale? A printed band to give a seasonal note? A transparent overwrap to prevent soiling? Or perhaps a colorful tag or label to focus attention on special selling features?

That's where Dennison comes in. Here in a *single* organization you can find the answers to a variety of the questions raised whenever packaging in general is considered. So whether you're pondering one possibility, or more, put your problems up to

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will complete the connection for him. The same system will be used on calls to another vehicle.

• **One User at a Time**—While John Doe is talking, no other user on his radio party line can make or receive calls. Priority will be given to emergency calls, however.

To persons who might object to sharing a radio party line, A.T.&T. men point out that this feature has produced no objections from users of its radio harbor service, operated in several American ports for as long as a decade.

How many vehicles will be placed on a single waveband? "First tell us how often calls will be made and how long individual conversations will last," phone officials reply. In other words, only experience can provide the answer.

• **As Regards Interference**—With the low-power and the high-frequency bands that will be used, Radiophone service in cities all over the country can be operated on the same wavebands without interference. There will be no danger, for example, of calls in Philadelphia becoming jumbled with those in New York. As much cannot be said, however, about service in New York and nearby Newark, and Bell System engineers are still laboring over techniques for such situations.

Only the advent of the war prevented Bell from inaugurating its service in some urban areas several years ago. But in the interim, military use of radio communication has improved technical knowledge (BW—Jan. 27 '45, p. 21) and probably sold the public on its possibilities.

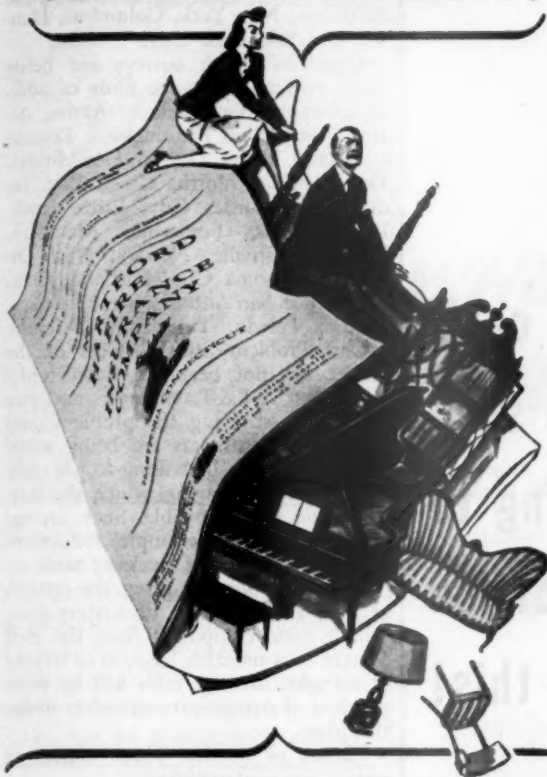
• **Awaiting the "Go" Sign**—Service of this type is, in fact, operating for emergency public utility purposes in New York and Boston today. And its expansion to include commercial motor fleets, doctors, or anyone else requiring such communication facilities awaits only manufacture of needed equipment and Federal Communications Commission approval of specific projects.

Plans and engineering work for urban Radiophones are more advanced than are those for what Bell and the FCC term "mobile highway service," so cities will be served first. Eventually the two will be operated much as are the existing local and long distance phone facilities—will be integrated with them, in fact.

From its headquarters in New York, A.T.&T. has sent to all Bell companies complete data regarding the present status of this development, with information for establishing urban service when local conditions warrant.

• **Cities Involved**—The Bell System now has pending before the FCC applications for authority to construct radio stations in 13 cities; St. Louis, Hous-

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We needed a BIGGER POLICY!

If your fire insurance policy was written several years ago, it probably isn't "big" enough to cover all of your family's household goods and personal effects today. You may need more protection to cover the increased values now in your home.

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See your Hartford Agent or your insurance broker. He'll help make your policy "big enough" to match your 1945 possessions.



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Service men and women are coming back in increasing numbers—back to your home town—to civilian life—to jobs in your business. Look for the symbolic button, emblem of "Honorable Discharge." The men and women who wear it are people of mature judgment, often highly skilled—in every way, fine folks to know and work with.



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- ☐ Phrenologist?

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going to
the office
like this!

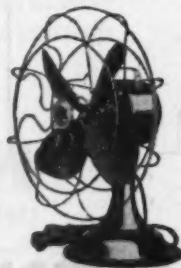
But chances are you've favored the idea on sweltering summer days. Your employees have, too. But since convention shakes its head, the next best thing is plenty of cooling, moving air—the kind you get from large-air-volume, quiet-running Robbins & Myers Fans.

In the factory, too, you can prevent "summer slow-down." For suitably placed R & M Fans provide *properly engineered air circulation* over wide areas, keep your workers on their toes, cost next to nothing to operate, are a breeze to service.

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Cities in which surveys are being made preparatory to the filing of additional applications include: Akron, Atlanta, Beaumont, Birmingham, Boston, Cleveland, Dallas, Dayton, Des Moines, Detroit, Fort Worth, Green Bay, Indianapolis, Kansas City, Little Rock, Los Angeles, Louisville, Memphis, Miami, Nashville, Newark, New Orleans, Oklahoma City, Portland, Ore., Providence, San Antonio, San Francisco, Seattle, Toledo, Tulsa, and Wichita.

• **Cost Problem Studied**—Cost of the service has not been set, even tentatively. But A.T.&T. engineers and rate experts are studying the problem, and prospective customers are being asked what they might be willing to pay—taking into account savings which the service would make possible. Such savings could include, for example, reductions in "dead mileage" of trucks or taxis.

Customers may be given the option, at least at the outset, of renting their mobile radio equipment from the Bell System on a monthly basis, or of buying it outright. Message rates will be independent of equipment ownership under this plan.

• **Classes of Service**—Three classes of service are contemplated:

(1) General message, between any land telephone and any mobile unit, with a three-minute initial period and the usual one-minute overtime charge.

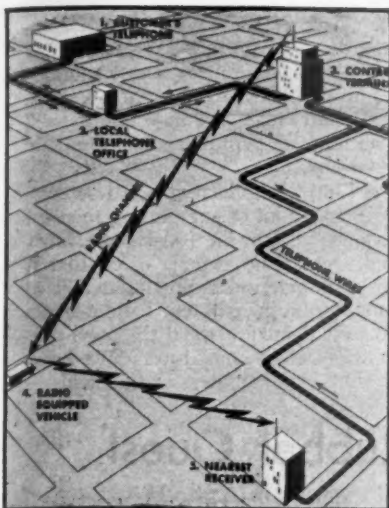
(2) Dispatch, between a particular land telephone and specified mobile units. This service should find its greatest use among customers operating motor vehicle fleets. Charges would be based on a one-minute initial period and overtime for each additional minute.

(3) One-way signaling. Less expensive, it will give a visual or audible signal, or both, to the driver, who then will know that he should call his headquarters from the nearest public telephone.

Bell System experts, in testimony to the FCC last fall on allocation of radio frequencies, estimated "conservatively" that in the New York City area "perhaps 10,000 vehicles" may use Radiophones within "the next five- or ten-year period." What might be expected in other cities, or in rural regions, was not indicated.

• **Private Setup Coming Too**—Development of equipment and techniques for those who may prefer to operate their own private radio communication circuits also has progressed rapidly in the past few years.

Cleveland Yellow Cab Co. has operated two mobile units in its taxi fleet since October, 1944 (BW-Nov. 4, 1944, p36), and reports a 40% reduction in



To tell his wife he's bringing a guest, tomorrow's motorist may have only to lift a dashboard telephone. From his car (4), impulses will be transmitted to a local receiver (5), then by wire to his home (1). The answer will come back by wire to a central transmitter (3), go out on a prescribed channel.

dead mileage: American Trucking Assn., through a subsidiary, Highway Radio, Inc., is seeking a temporary FCC license for experimental operation serving at least 100 trucks in the Chicago area.

The Assn. of Motor Bus Operators is planning a similar move involving 100 bus installations. Both have signed contracts with Galvin Mfg. Corp., Chicago, for experimental work in the Chicago area continuing into next winter. Chadwick Truck Lines and Northland Greyhound already have carried radios in their trucks and buses for test communication with Galvin's existing facilities at Chicago.

Eventually, it is reported, there may be some jointly supported communications company to serve both bus and truck lines, reducing the number of frequencies required.

• **As Galvin Sees It**—Galvin, developer of the walkie-talkie and handie-talkie portable radio transmitters and receivers used by the military services, sees a bright future for commercial mobile radio communication, but believes two-way radio for the private automobile is still in the talking stage, chiefly because of the cost of individual sets, now running into hundreds of dollars. Others, including A.T.&T., are more optimistic, feeling mass production and new developments will cut costs.

For purely personal two-way radio communication, the FCC has set aside the 460-to-470-megacycle waveband,

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Before the war, when carrier-based planes made a forced landing at sea, they floated safely on giant water-wings. ¶ The instant the plane struck the water, Kidde Flotation Gear went into action *automatically*. Carbon dioxide—stored under high pressure—was released by the action of a water-sensitive mechanism . . . inflating rubberized bags stored in wing compartments.

Out popped the bags—to keep plane and crew afloat till rescue arrived! ¶ During the war, Kidde Flotation Gear has given place to armor and armament; its weight has been sacrificed in the interests of speed and maneuverability. The crew is saved by Kidde-inflated rafts, but the plane itself is expendable. ¶ But when the war is over, Kidde Flotation Gear will find a host of new applications. Many types of aircraft, winging over water on long-distance flights, will probably carry this aid to safety. ¶ Flotation Gear is one of the ingenious devices in which Kidde skill has harnessed the energy of gases-under-pressure.

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SPEEDI-DRI is safety's magic carpet. It cuts down the danger of falls and fires on oil-slick floors. It is a granular material . . . light in color . . . with a continuous thirst for oil or grease. It blots oil and grease up out of pores, cracks, and crevices, as a blotter takes up ink.

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For a big FREE sample, write today . . . SPEEDI-DRI for oils and greases . . . SOL-SPEEDI-DRI for coolants, syrups, acids, oils, etc.

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West Coast—Waverly Petroleum Products Co., Russ Bldg., San Francisco 4, Calif.

SPEEDI-DRI
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designated as the "citizens radiocommunication band" (BW—Jan. 27 '45, p21). No common carrier operations will be permitted in these frequencies. Only short-range, low-power units will be authorized, permitting a multiplicity of stations.

• "A Lot of Engineering"—Galvin avers it will take a lot of engineering to adapt portable radios to the 460-470-mc. wave-band. And radio experts agree that it will be impractical if not impossible to adapt surplus government handie-talkies and walkie-talkies to these high frequencies—which constitutes a nice break for radio manufacturers in this field.

Rubber Quest

Drive to rebuild stocks of natural product points up the impending competition between it and war-spurred synthetics.

Allied invasion of Borneo soon may provide answer to the knotty question: How fast can natural rubber be obtained from the producing areas held by the Japanese since 1942, and how much is immediately available?

America's dwindling stockpile of natural rubber has been a prime cause for official concern and is credited in many quarters with dictating a change of strategy in the Pacific which is already becoming apparent. For all our tremendous production of synthetic rubber, we still need some natural, particularly for heavy-duty tires (today's truck tires still require about 15% natural rubber; even "all-synthetic" passenger tires have 2 oz. of natural in each).

• An Obvious Need—Despite frenzied efforts to obtain natural rubber from Brazil, from Africa, and elsewhere, America's stockpile, hurriedly built up in the months preceding Pearl Harbor, will be down to a bare 40,000 tons by the end of 1945. With consumption exceeding receipts by 5,000 tons a month, the need for additional supplies is obvious.

Borneo is the first sizable rubber-producing area in which Allied forces have landed. Sarawak and British North Borneo, on either side of invaded Brunei, shipped 35,166 tons and 17,623 tons, respectively, in 1940.

• A Quick Appraisal—Experts will move in as rapidly as possible to determine the condition of plantations and to uncover crude supplies that natives may have secreted. From these data it will be possible to estimate conditions in the other areas of the East Indies.

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APPLIES EASILY (One-part adhesive)

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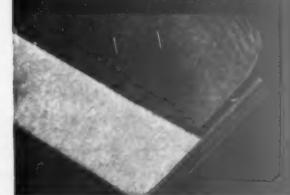
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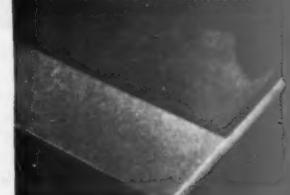
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Let's all back the attack—buy EXTRA War Bonds.



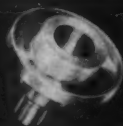
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for immediate supplies. In normal times 45% of the Far East's rubber came from this source.

After the immediate urgent needs for natural rubber are satisfied, a new and vastly more complex problem will arise, involving the long-range competitive situation of natural and synthetic rubber.

• **In Terms of Capacity**—Rubber experts declare—perhaps pessimistically—that in the first year after liberation of rubber growing areas, about 350,000 tons will be available. Capacity of the world's synthetic plants is 1,300,000 tons, 1,100,000 tons of it in the United States.

With an estimated consumption of 1,500,000 tons, demand will take all the natural output and all synthetic production except possibly part of that from higher-cost plants.

Synthetic-natural competition will grow keener the second year after liberation, when 900,000 tons of natural rubber are expected to be available. By the third year, 1,400,000 tons to 1,600,000 tons of natural plus the 1,300,000 tons of synthetic capacity will give a total supply nearly double expected consumption.

• **Controlling Factors**—At this point two factors will control the natural-synthetic competition: price and the need for maintaining some synthetic capacity as insurance against any future shutting off of America's natural rubber imports.

Current government-fixed price for the most widely used synthetic, GR-S (government rubber, styrene), is 18½¢ per lb. for civilian products. Fixed price for natural is 22½¢, but in the past it has fluctuated from as little as 3¢ to as much as \$1.25 in seven years.

• **Competitive Fields**—Sound belief prevails that the more efficient synthetic plants can produce GR-S rubber for 10¢ profitably, and if this is realized, natural rubber will find plenty of competition in those fields where it has no inherent advantages.

One such field might well be passenger car tires, for synthetic tires today are conceded to be about 90% as good as those made from natural rubber. Further improvement can well be expected, but one cannot disregard the fact that natural rubber tires may also be improved, partly, at least, on the basis of techniques and experience acquired in the war-spurred drive to improve synthetic rubber.

• **As Davis Sees It**—F. B. Davis, Jr., chairman of United States Rubber Co., recently sized up the postwar outlook as follows: 100,000 tons of synthetic rubber for special purposes (such as butyl rubber for inner tubes, Neoprene where resistance to oil and gasoline is required); 200,000 tons of GR-S as "insurance"; 400,000 tons of natural where



There's trouble in the air...

WHEN THE THERMOMETER SOARS, and humidity soaks the air, all sorts of trouble seem to set in.

People are uncomfortable, irritable and short tempered . . . their efficiency sags. Even your own secretary usually cool, calm and collected gets hot, bothered . . . and *uncollected*!

The customers in retail stores shrink from crowds to couples.

The productive output of many industries is handicapped because manufacturing processes are affected by the excesses of heat and moisture.

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Carrier air conditioning provides fresh, clean air and distributes it evenly, draughtlessly. The temperature *and* humidity of this air is regulated constantly, winter and summer. Carrier levels out the seasons, gives you the climate you want the year 'round.

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globe-girdling ships—and today in thousands of specialized war applications, Carrier has proven an ability unmatched in the industry.

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Warner "Vari-Load" Electric Brakes are Safer!

TODAY, America is depending on motor transportation as never before. Every load of war materials and equipment carried by big trailer outfits must get through — and *on time!* Delays due to accidents caused by ineffective brakes must be prevented — there should be no compromise with *safety!*

It is significant that 80% of all power-brake equipped trailing vehicles purchased by the government during this war — *have Warner Electric Brakes*. So take a tip from Uncle Sam — protect your drivers, your cargoes, and your trailer outfits — give them the **EXTRA SAFETY** of *Controlled Braking Power* — exclusive feature of Warner "Vari-Load" **ELECTRIC** Brakes. No matter what the weather, the driver can pre-set any and all brakes to fit **BOTH** load conditions and road conditions — thus keeping his train straightened out and under full control even when the going is slippery, and avoiding costly tie-ups due to damaged equipment. On all future trailer purchases, specify Warner "Vari-Load" *Electric Brakes*—world-famous for safety, simplicity, and dependable, efficient, trouble-free performance.



WARNER ELECTRIC BRAKE MFG. COMPANY
DELOIT. WISCONSIN

Only a few flexible wires. Nothing to freeze or chatter — No complicated mechanisms.

it is decidedly superior (large-size, special-purpose tires, latex thread and dipped goods, products where rubber must be used unmixed with carbon black). This leaves 800,000 tons of the estimated 1,500,000-ton consumption which will be determined as to type chiefly on the basis of price.

Bigger Bumpers

Auto styling is expected to require more and costlier steel, enlarging markets for high tensile, low alloy metal.

Sales department insistence on use of more bright metal on automobiles, plus the desire of engineers to increase fender protection, are combining to enlarge the prospects for steel company revenues from passenger car bumper makers.

• **Bigger Bumpers Coming**—Detroit expects that the trend toward bigger bumpers started by Oldsmobile in 1940 will continue at accelerated pace in the cars that will be produced later this year and those planned for the 1947 model season. Not only does this mean more steel per unit, but, in many instances, it means a better quality, higher priced steel.

When bumpers were little more than leaf springs, their simple shape made processing easy. They were hot formed, ground and polished, then plated. Little distortion ensued during cooling after forming. Manufacturers who will continue to use bumpers of simple design are unlikely to change either this manufacturing process or the steel for it.

However, the hot forming process became complicated when deeper, more intricate bumpers with end extensions were made. The spring steel, ordinarily S.A.E. 1085 specification, distorted noticeably on cooling, requiring more grinding and hand work before plating.

• **High Tensile Steel Used**—As a result, the companies designing cars with heavier bumpers began to look around for different steel. This coincided neatly with the sales program of Great Lakes Steel Co. for its N-A-IX high tensile, low alloy steel, and Great Lakes got the first foot in the door for the new application.

Before war halted auto production, the swing toward more elaborate bumpers was growing. Other steel companies interested themselves in the market opportunity and trade reports are that Great Lakes is now meeting intensified competition in the field of bumper steel.

• **Operation Simplified**—The business is worth going after. Prewar bumpers of

This Ordnance Victory Penny symbolizes the great contribution of the Industry-Ordnance team which has successfully conducted a fifty billion dollar program of armament for victory. This penny is a keepsake and a reminder of this vast undertaking.

Mined in Utah, fabricated into a shell case by the Industry-Ordnance team, shipped to the South Pacific, fired at the Japs, returned to the Tooele Ordnance Depot as a fired cartridge case, reclaimed and shipped to the United States mints, returned to Tooele as a U. S. Coin and presented to you, a member of the Army Ordnance Association, as a reminder that Ordnance is a guarantee of peace.

ARMY ORDNANCE ASSOCIATION

FIFTY BILLION DOLLAR PENNY

Symbol of a 50 billion dollar armament program successfully accomplished and subtle propaganda for preparedness, the Ordnance Victory Penny is going to members—both military and industrial—of the Army Ordnance Assn. as a keepsake. As the accompanying scroll indicates, the copper from Utah's mines started out as a shell case. Its mission accomplished, it was reclaimed as a U. S. coin—ready for war or peace.

spring steel, almost a garden variety metal, weighed around 40 lb. per car. But the lavish bumpers which were being used in the 1941 and 1942 model years averaged 60 lb. per car, heavier in some cases. Furthermore, the high strength, low alloy stock from which they are made costs up to twice as much as the spring steel.

To overcome the handicap of greater cost, advocates of high strength, low alloys argue that their product can be cold stamped rather than hot formed. This simplifies operations and reduces costs. A heavy press punches out the pieces, they are lightly buffed, then plated. It is asserted that the virtual elimination of hand finishing work makes the low alloy end-product definitely competitive with spring steel bumpers.

• **Stamping Their Own**—The simplicity of the cold stamping operation makes it feasible, say trade sources, for more automobile companies to make their own bumpers than in the past.

A bumper made of high tensile, low alloy steel is not as hard as a spring steel bumper, so it is apt to dent more on impact. But this is counterbalanced, it is argued, by the fact that its ductility reduces the likelihood of cracking under severe strain. When dented, the high tensile, low alloy bumper can be hammered back into shape.

HOW A DISSTONEER SOLVED THE CASE OF THE TRANSFORMER COILS

Cutting transformer coils—with their windings of paper, wire and cardboard cores—is considerably harder than it would seem, as one manufacturer discovered. The machine he was using was equipped with serrated edge band knives, which had a habit of breaking after only about 36 cuts. Then the machine would be shut down for 10 minutes while another band knife was installed.



A Disstoneer*, after examining the set-up, saw that the bands were too heavy for the small diameter wheels. Also the knife was not the type best suited for the work. Thinner bands, with toothed and serrated edges, were recommended. Breakage was eliminated entirely, work proceeded without further interruptions and production was speeded up.

Another clear-cut case of Disston leadership



*DISSTONEER—a man who combines the experience of Disston leadership and sound engineering knowledge, to find the right tool for you—to cut metal, to cut wood and other materials—and TO CUT YOUR COST OF PRODUCTION—not only on special work, but on ordinary jobs as well.

You may have no need for band knives of the character recommended, but no matter what you manufacture, you most likely use files, and will be interested in knowing about—

DISSTON BITE-RITE FILES



on them for long, dependable service. Disston Bite-Rite Files are supplied in all standard cuts, shapes and sizes—and for all materials. Write for full particulars.

A greatly improved type, with distinctive features of importance to all file users. Teeth are extra strong and sharp; they are staggered for straighter, faster and smoother cutting. You can count

HENRY DISSTON & SONS, INC., 728 Tacony, Philadelphia 35, Pa., U. S. A.

NEW BRIGHT STAR

Behind the blackout curtain of war, strange things have happened to paper. Parallel lines of research have met and fused in the infinity of this nation's need, and now qualities can be "written" into paper with all the certainty of ingredients in a prescription. Paper can be as soft as fleece, as tough as steel, as repellent as glass, as flex-enduring as leather. Paper has assumed a new role . . . it is a new bright star in the galaxy of postwar prospects that cast so rosy a gleam on the future. Neenah will bring you these papers . . . better papers for the uses you know so well . . . new papers for uses you may not know at all . . . paper substances that may well serve to launch new and profitable enterprises. Watch Neenah when the war is done.

NEENAH
Makers of Fine Papers

NEENAH PAPER CO. • NEENAH, WIS.

NEW PRODUCTS

Quick Copier

Speeds double those of its previous reproduction machines are promised by the Ozalid Products Div., General Aniline & Film Corp., Johnson City, N. Y., for its new Ozalid Printmaster.



Architectural and engineering drawings, letters, photographs, advertising layouts, and a wide variety of other materials are said to be reproduced on paper, cloth, foil, or film at speeds up to 30 lineal feet a minute. Since the materials are sensitized with an azo dye and are dry-developed in ammonia vapor right in the machine, prints require no washing, fixing, drying, or other processing, and can be used immediately.

It is a quality of azo dyes to produce grainless, positive prints directly from positive material fed into the machine (which incidentally printed the photograph for the accompanying illustration). Colors available are black, blue, red, or sepia on a white background. Copy and sensitized material are fed together at table level, the copy being returned on the top shelf and the finished print delivered on the shelf opposite the operator's hand.

Blind Measurer

Although the new Penetron is a portable measuring instrument and has essentially nothing to do with riveting, there is a rough analogy between its operation and the setting of a modern blind rivet which is inserted and clinched from the near side of materials being joined. With the instrument, which has been developed by the Texas Co. for use in its petroleum operations and will be manufactured and marketed by Engineering Laboratories, Inc., 610 Fourth St., Tulsa,



Photographed en route by permission of the War Department

"How you doing, soldier?"

OKAY, NURSE, says this wounded soldier's smile.

The *big* reason he's doing so well is the wonderful care the men and women of the Army Medical Corps give American wounded—the *best* cared for wounded in the world.

But *part* of the reason is just being in *America* again. That's a tonic in itself to these men who were wounded in Europe before Germany surrendered and are now on their way from debarkation ports to General Hospitals near their homes.

Pullman—by providing sleeping cars to supplement the Army's special hospital trains—is privileged to contribute to the comfort in which they make the trip.

These cars—like the one in the picture above—are probably scattered over several states, serving various railroads, when an Army call for them comes. But the way Pullman works with the railroads—through its centrally controlled "pool" of sleeping cars—enables them to be assembled quickly, even on short notice.

It takes lots of cars. And shifting troops across America to the Pacific takes lots more.

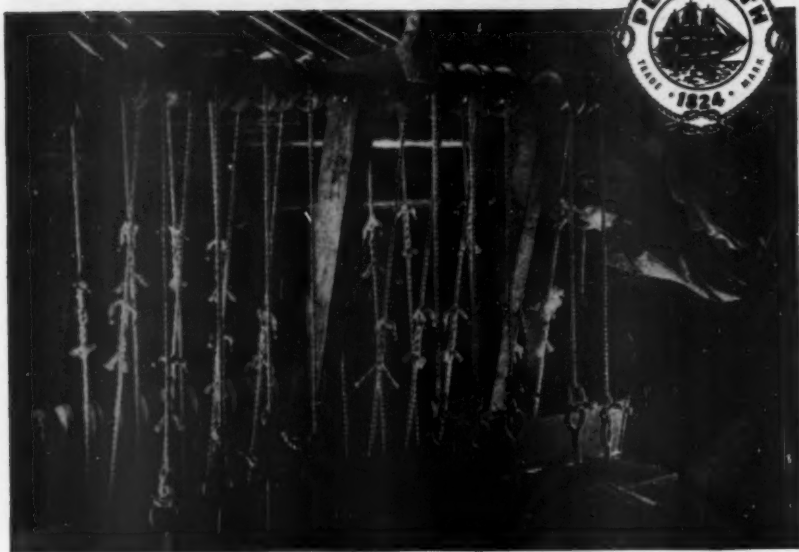
So, if you *have* to take a trip—and *should* be unable to get the Pullman space you want exactly when you want it—please remember that many of the wounded coming home from Europe and many men going "on to Tokyo" are *traveling Pullman, too.*



COPYRIGHT 1946, THE PULLMAN COMPANY

PULLMAN

For more than 80 years, the greatest name in passenger transportation



WHEN LIVES HANG BY TWISTED FIBERS...

David Dietz, noted Science Editor of Scripps-Howard, sees modern engineering in action.



"Fifth Avenue's traffic is a silent thread far below the two men sandblasting

the sheer side of the skyscraper. Their scaffold is hung by slim ropes—their lives swing on twisted fibers, 60 stories above ground. Those ropes must flow smoothly on their pulleys, and hold the scaffold's weight, and resist the strain of windy gusts that buffet high buildings with the slap of a giant fist.

"From the selection of fibers for Plymouth Rope to final testing of the completed coil,

scientific manufacturing control and the ancient art of rope-making meet their toughest challenge in supplying rope for men to use in the Dangerous Trades.

"The photograph above shows ropes undergoing abrasion through thousands of operations over wet and dry surfaces. It is one of the 37 relentless tests by which Plymouth Rope is engineered for heavy responsibilities. That is how Plymouth builds greater strength, longer life, more useful performance into rope for hard jobs on farms, in factories, at sea and around the home."

Plymouth Cordage Company, Plymouth, Massachusetts. District Offices: New York, Chicago, Houston, San Francisco. Warehouse Stocks: New York, Boston, Philadelphia, Baltimore, Houston, Chicago, San Francisco.

PLYMOUTH

CORDAGE PRODUCTS

ROPE · TYING TWINE · BINDER TWINE · BALER TWINE

THE ROPE YOU CAN TRUST



THINGS TO COME

Jobbers, department stores, mail-order houses, and other packers of variously sized merchandise will find new packaging speed and convenience in a forthcoming carton cutter and scorer. Any shipping department equipped with the machine will assemble a shipment of odd size, that fits no standard carton, on a computing table which will not only establish the three major dimensions of the carton required for the job, but automatically set cutters and scorers to produce the package from a single sheet of corrugated board in jig time.

Resultant carton blank will fold into a stout one-piece carton which will require only a single strip of glued tape and a shipping label or stencil to ready it for the delivery truck, expressman, or postman.

- New standards in the durability and uniformity of cotton textiles promise to be achieved in the future by means of a new electronic yarn scanner. Purpose of the inspection device is to determine and record the diametrical uniformity of a particular lot of yarn (or tire cord for that matter) before it is woven into cloth. Since unduly thin places in any yarn are almost bound to result in breaks, and unduly thick places result in lumpy weaving, nonuniform yarn can be rejected before it causes trouble in the loom or in finished goods.

Okla., it is possible to gage the thickness of the walls of oil piping, refinery towers, and other structures subject to progressive corrosion entirely from their outsides and entirely without dismantling them or taking them out of operation. Accuracies are said to be well within plus or minus 3%.

Briefly, the instrument consists of a cylindrical gaging head, a couple of inches in diameter and somewhat over a foot in length, and a cubical control box, a little larger than a 50-lb. chunk of ice but weighing only 20 lb., which contains electronic equipment. The head houses a "needle" containing 1 mg. of radium in the form of a commercially available salt, a specially developed, radiation detector of the Geiger-Mueller type, a shield between the radium and the detector, and a pre-amplifier to magnify the electric impulses of the detector sufficiently to carry them through a cable to the com-

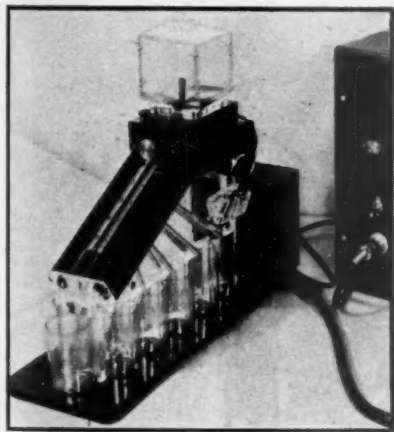
trol box located some distance away.

With the head attached by permanent magnets or other clamping means to the outside of a pipe, tank, or ship plate (or inside the fire tube of a locomotive boiler), gamma radiation from the radium goes through the wall and bounces back from the atoms in the wall to the detector in mathematical proportion to the wall thickness. Amount of bounce is indicated on the dial of a microammeter on the face of the control box. Since the atoms of different materials—steel, aluminum, plastic, whatever—give different degrees of bounce, the actual thickness is obtained by checking the dial reading with graphic charts supplied with the instrument. With a slightly different adjustment of the instrument, determinations of liquid levels in completely closed containers and even the specific gravities of the liquids themselves can be made quickly.

Electronic Ball Sorter

When Jack & Heintz, Inc., Cleveland, specified balls of exceedingly precise dimensions for bearings in its aircraft instruments, its Electronics Dept. developed a new Automatic Ball Gage to do the job. Four of the instruments served by one operator are said to sort more balls more accurately than 32 skilled operators using conventional measuring equipment.

Commercial balls, which have already been graded to a tolerance of 1/20,000 in., are fed into a Plexiglas hopper top



from which they fall almost instantly into tumblers, having been divided into matching groups five times more accurate. As many as ten size selections are reported possible, each group being separated from succeeding groups by only 10-millionths of an inch. Shown only partially is a case, about the size of a table radio, that houses electronic equipment for the gaging.

SIMPLIFIED CONTROL

with RELIANCE
V*S
DRIVE!



*Reliance V*S, an all-electric, adjustable-speed drive for alternating current circuits, operates the Moore and White Rewinder illustrated.*

● In innumerable production and processing operations, like the rewinding of paper rolls illustrated above, Reliance V*S Drive offers important advantages.

These include remarkable ease and simplicity of control which increases output, improves quality and uniformity of finished production and reduces operator fatigue. Acceleration and deceleration are extremely smooth and proper tension can be automatically maintained, avoiding stress, strain and breakage of fragile materials. Clutch and its maintenance are eliminated.

Similar advantages can be obtained through the use of Reliance Motors and Reliance V*S Drive in many other types of work. If you have not investigated the possibility of applying V*S Drive to your own operations, it will pay you to do so. For complete information, call a Reliance Application Engineer.



RELIANCE ELECTRIC & ENGINEERING COMPANY
1069 IVANHOE ROAD • CLEVELAND 10, OHIO



Birmingham • Boston • Buffalo • Chicago • Cincinnati • Detroit • Greenville (S. C.) • Houston • Kalamazoo • Los Angeles • Minneapolis • New York • Philadelphia • Pittsburgh • Portland (Ore.) • St. Louis • San Francisco • Syracuse • Washington, D. C. • and other principal cities

"Motor-Drive is More Than Power"

MARKETING

Brand Names Boost Textiles

Yarn and fabric manufacturers, anticipating much keener competition, step up advertising and promotion—much of it tied in with retailers. It's a drive for consumer consciousness.

Nelly Don is that way about Dan River. As a result, retailers around the country are not only advertising Nelly Don dresses made by the Donnelly Garment Co. of Kansas City, but also their copy specifies that the dresses are of Dan River cotton from the looms of the Riverside & Dan River Cotton Mills, Inc., in Danville, Va.

• **It's a New Trend**—Similarly, dress manufacturers and mill operators all down the line are getting together. It's typical of the trend in the already complex textile industry that has yarn and fabric mills promoting their own brand names, tying up with manufacturers, as well as retailers, to carve off a piece of the consumer market each can call his own.

Heretofore, advertising by the original maker of yarn or fabric has been throttled by a complicated industry structure. This extends from yarn manufacturer, to weaving and knitting mills, through the converter who buys the gray goods, the finisher who prints, dyes, and finishes, to the actual manufacturer or cutter who sells to the wholesaler, or perhaps directly to the retail store.

Thus textile producers have always been well down the line on any list of brand name advertisers. Many manufacturers are small; many products were unbranded or sold under private brand and advertised by retailers only locally, if at all.

• **The Old-Timers**—In 1920, according to tables compiled by the Curtis Publishing Co., there were only 29 textile concerns that were advertising in the country's leading magazines, and they spent less than \$1,000,000 boosting brands.

Among them were such old-timers as Amory, Browne & Co. (now Nashua Mfg. Co.), Indianhead cotton; Cheney Bros., dress silks; Goodall Worsted Co. (now Goodall-Sanford, Inc.), Palm Beach cloth; Orinoko Mills, Sunfast fabrics; Pacific Mills, Duretta cloth and Serpentine crepe; Wm. Skinner & Sons, satins; Fruit of the Loom, Inc.; and Cluett, Peabody & Co., Arrow. These were among the first to see the possibilities of product identification in this

basic industry—guarantee of steady and repeat sales.

• **More Than Doubled**—The war brought into sharp focus the need for some such guarantee to help the industry through the dog-eat-dog competition certain to return in peacetime, and war profits provided an impetus to put sales promotion plans into effect. Thus in 1944 the number of textile mill advertisers was almost double that of 1920. Celanese Corp. of America alone spent close to \$1,000,000 publicizing its rayon yarns and fabrics.

Cluett, Peabody & Co., which produces about 30% of the fabric that goes into its Arrow products, spent around \$800,000 advertising Arrow and Sanforized fabrics (a finishing process which the makers say guarantees no more than 1% residual shrinkage).

• **Keener Competition**—Mill owners can point to half a dozen or more other factors behind the trend. For example,

the war has brought many new companies which will heighten competition for the regular civilian market.

Outstanding among these new companies is Textron, Inc., which has thrived on government orders for parachutes, mountain tents, and jungle hammocks. It is now a 100% vertically integrated organization, overseeing from yarn to finished goods the manufacture of a variety of consumer items. The company is expecting \$20,000,000 of civilian business next year. To build up consumer consciousness, the J. Walter Thompson advertising agency spent considerably more than \$300,000 for Textron last year.

• **Boost for Quality**—Integration of textile firms, such as Textron, is of itself a factor. Such close contact with the consumer makes maintenance of identity even more important. And at the same time, manufacturers know that a brand name would become only a liability if quality of the fabric were destroyed, for example, by poor workmanship on the part of a tailor. (Goodall-Sanford, Inc., for just such protection, set up its own subsidiary, Goodall Co., to make men's and boy's suits out of its Palm Beach cloth.) So, for the sake of quality control, brand name promotion in turn prompts further integration.

The new products, as well as chemical improvements on old ones, that keep coming into the field at a phenomenal rate, with the accent on synthetic fibers, lend themselves to identification. They



TO MAKE FRIENDS AND INFLUENCE PEOPLE

In Brooklyn a tree may grow but an incongruous ad (righthand corner) of Paris' Folies Bergeres curtain indicates that no grass grows under the feet of one of the borough's leading stores. M. Edouard Leon, chief of Abraham & Straus' Paris office, paved the way for the curtain plug—seen weekly by thousands of U.S. servicemen—as well as similar displays on billboards at Paris advantage points. The ads will be up until next November—at least.

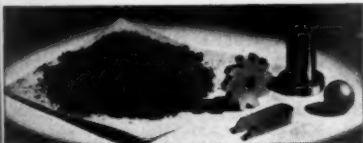
Guess how many miles of thread he's wearing!

LET'S unravel the man—garment by garment! When we do, we find it takes about 58 miles of thread, of one kind or another, to dress him from the skin out.

Better than 9 miles for underwear; $2\frac{1}{4}$ miles for socks; 10 for a shirt; 1 for a tie; 35 for a suit. So the manufacturers tell us.

And remember, every inch of *all* the thread that is woven into fabrics has to run at high speed through metallic guides on the textile machines.

Those guides are ordinarily made of hardened or chrome-plated steel—but they wear out fast.



Now mill owners are turning to a new miracle metal, "the hardest metal made by man." It is called Carboloy Cemented Carbide. And mill men have discovered that Carboloy textile guides often outlast steel as much as 50 to 1.

What is Carboloy? It starts out as a simple mixture of metallic powders, but tremendous heat and pressure transform it into a metal of almost diamond hardness.

Industry's "Secret Weapon"

In cutting tools, in dies for drawing wire and tubing and forming sheet metal, it has played a major role in war production—commonly tripling the output of machines and men; speeding tank, ammunition and naval building programs.

After the war, the benefits of this new miracle metal will be available to everyone! Countless products will be made better and



Even your clothes have felt the effects of a wonderful new metal—the hardest metal made by man. Carboloy Cemented Carbide has helped revolutionize industry—and promises great benefits to everyone in the near future.

cheaper through the wider-spread industrial use of Carboloy tools and dies.

More than that, the use of Carboloy for wear-resistant parts in airplanes, automobiles, home appliances and equipment, will give these products themselves improved performance and longer life.

Attention Engineers and Designers

Carboloy research and field engineers will gladly help you take full advantage of the hardest metal made by man in planning your postwar product and production program. Write us today. Carboloy Company Inc., Detroit 32, Mich.



**The Hardest Metal
Made by Man**

CARBOLOY
CEMENTED CARBIDE





"Take a number...any number—

you're ever likely to need in postage stamps... and I've got it! Letter needs nine cents? One nine-cent stamp coming up—not three threes! Airmail forty-eight cents? Parcel post \$1.16? I touch a couple of levers—and there you are! Any amount of postage you want is on tap in this postage meter! And you print it to order, right on the envelope. Or on gummed tape for parcel post... Don't have to keep batches of stamps in a tin box, or stick 'em on one by one, or gallop down to the postoffice every other day—just print 'em as we need 'em! The postage is safe in the meter, can't get lost or borrowed. And the machine is real good at arithmetic—keeps its own records... Seals envelopes fast, too! Makes getting out the mail a lot easier. And what's more—I get out earlier!"

Find out how a postage meter can help in your office. Pitney-Bowes, largest maker of postage meters, is again in production... Check with the nearest office... or write direct for an illustrated booklet.

PITNEY-BOWES Postage Meter

PITNEY-BOWES, Inc., 1487 Pacific Street, Stamford, Conn.
Offices in principal cities, see telephone directory
IN CANADA: Canadian Postage Meters, Ltd.

must be introduced and explained to potential users, such as Tebilizing that makes fabrics crease resistant, advertised by Tootal, Broadhurst, Lee Co.; and Everglaze that gives fabrics a permanent glaze, advertised by Joseph Bancroft & Sons.

• **Stores Cooperate**—Of major import is the opportunity that the war-born seller's market has provided manufacturers in getting a foot in the door of the department store, hitherto lukewarm toward pushing the brand of a manufacturer five or six steps removed. Today more retailers are using their own advertising budgets to promote national brands than ever before.

This same seller's market has healthily trimmed advertising allowances, traditional subsidy handed out in the trade to hard-bargaining retailers in return for special advertising considerations. More persuasive in these days of shortages is a manufacturer's promise of product delivery in exchange for guaranteed play in the store windows and ads. On their part, distributors are finding out that the branded product sells easily, that many a consumer is sold on the belief that quality and name go hand in hand.

• **Specialized Advertising**—So far radio is being used relatively little for advertising textile mills. Celanese is the outstanding exception, having spent over \$700,000 last year on the Columbia Broadcasting System. The big majority to date concentrate their advertising in magazines and trade papers. Usual procedure is to launch a campaign through the so-called class magazines—such as Vogue and Harper's Bazaar—and trade publications reaching the retail stores.

To handle these campaigns, many an advertising agency in New York City and elsewhere is specializing in textile promotion. Typical is John Cairns & Co., New York agency which has long handled the Skinner account, and is now servicing Dan River and others.

It looks as if manufacturers of fabrics and yarns are off on a good thing—for them—and to convince the postwar retailer many will probably fall back into their old habit of cooperative advertising. Celanese is even now facing a Federal Trade Commission complaint under the Robinson-Patman law for making allowances to some "prestige" customers and not to others (BW—Oct. 14 '44, p. 52).

• **Gates Are Open**—Even so, the manufacturers will have to guarantee their product won't be a dud. Listening posts report that the gates are open and the flood is on—it'll not only be Dan River Cotton in a Nelly Don dress, but it may be Tebilized, Sanforized, and Everglazed, with the American Viscose Corp.'s Crown-tested rayon trim.

New Coffees

Lifting of set-aside order on soluble extract is followed by entry of two new brands and revival of old ones.

When the War Food Administration lifted the lid on soluble coffee production for civilians by revoking its 100% set-aside order June 1, up popped two new brands: the Borden Co.'s Instantly Prepared Coffee, and General Food Corp.'s Instant Maxwell House. Army contracts will continue to take about 60% of all production, but the remaining 40% is enough to launch these new brands and revive old ones.

• **Two Types**—By chance these newcomers represent opposite sides of a field already sharply divided. Borden's product is coffee extract, while Instant Maxwell House is a "cafe" type—coffee extract with an equal volume of carbohydrates added.

The Food & Drug Administration prohibits description of this product as coffee; hence, before the war, Nestle's Milk Products Co., Inc., had coined its trade name "Nescafe" and other manufacturers of similar products are following its lead.

Incidentally, it was the phenomenal success of Nescafe—attributed to a superior product plus smart sales promotion—which set other food industry bigwigs thinking about soluble coffee. That was just about the time military buying began to take the entire production, and some manufacturers welcomed military orders as a means of perfecting their product before they put it on the civilian market.

• **30-Year Background**—Oldest firm in the business is G. Washington Refining Co., now a subsidiary of American Home Products Corp., whose G. Washington brand of coffee extract has been marketed for 30-odd years. Last spring this company brought out Cafemelo, a cafe type.

Coffee Products Co. of New York will also market both types. Another cafe type now available is Solcafe, distributed by McCormick & Co., Inc. Other coffee extracts include Barrington Hall, made by Barrington Hall Soluble Coffee Co., subsidiary of Hygrade Food Products Corp., and the John L. Kellogg Co.'s "All Coffee." Standard Brands, Inc., brushes off rumors that it will enter the soluble coffee market.

• **Rival Claims**—Manufacturers of cafe brands assert that the addition of carbohydrates helps to hold the coffee flavor, and that the increased bulk is easier to



Controlled Quality

Only from Ampco can you get all of these services and benefits:

- 1 Distinctive properties of resistance to wear, impact, fatigue, corrosion.
- 2 A series of engineered alloys — with physical properties to fit your application.
- 3 Quality control to hold these properties within narrow limits.
- 4 Diversified production facilities — coordinating in one place all the commonly used metal-working processes.
- 5 Engineering and production "know-how" to give you a practical manufacturing program.
- 6 A nation-wide organization of field engineers to assist you.
- 7 A record of proved performance in hundreds of leading makes of equipment.
- 8 A national reputation that makes Ampco Metal parts a sales asset.

...one of 8 big reasons why you can depend on AMPCO METAL PARTS

Quality control is one of the main features that set Ampco apart from ordinary sources of bronze—that assure you of an engineered alloy unvarying in its properties today, next month, or a year from now. This uniformity is important when performance of your equipment depends on material that *always* meets predetermined specifications.

• Ampco's laboratory control — a long-established feature of Ampco service — is carried out by the largest corps of technicians in the bronze alloy field.

Ampco also offers you the production "know-how" to produce to a standard.

• Utilize the exceptional properties of Ampco Metal in your post-war products — it pays! Send us your prints for helpful suggestions. Ask for bulletins.

Specialists in engineering, production, finishing of copper-base alloy parts.



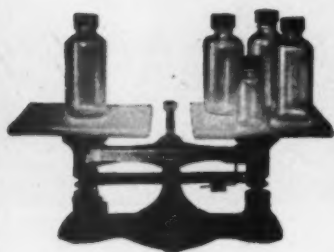
Ampco Metal, Inc.
Milwaukee 4, Wis.
Ampco Field Offices
in Principal Cities

A-8

PLAIN TALK ABOUT PLASTICS

Gold Mine

in new bottles?



It may be . . .

Just think of the possibilities in bottles, $\frac{1}{2}$ the weight of glass, with $\frac{1}{2}$ the tare . . . stronger and safer!

Millions of these bottles have been made for safe conduct of vital drugs, acids and other supplies to our Army and Navy Medical Corps . . . the first practical blown plastic bottles . . . using that versatile Monsanto polystyrene, Lustron.

Although Lustron is the most economical of plastics, naturally it costs some more than glass. But the savings in weight . . . and also breakage . . . in overseas or air transport, quickly outweighs this first-cost factor. Consider, too, that Lustron comes in a full range of colors, is dimensionally stable, and resistant to alcohol, alkalis, and all but the strongest oxidizing acids.

Immediately Lustron suggests itself for the packaging of drugs, chemicals and cosmetics, high style, premium and re-use containers of all kinds, and especially bottles and accessories for modern luggage.

This new Lustron application may suggest a way you can use it profitably in your business. In any event it illustrates once again how Monsanto plastics are progressing continually . . . how important it is to keep abreast of Monsanto plastics developments. Why not ask us to put your name on our plastics mailing list? It's free, of course. Address: MONSANTO CHEMICAL COMPANY, Plastics Division, Springfield 2, Massachusetts.



handle than measuring a fraction of a teaspoonful of coffee extract for each cup. Obviously, it may also make the undiscerning buyer think he is getting more for his money, since a 2-oz. package of coffee extract and a 4-oz. package of cafe type coffee retail for about the same (29¢ to 36¢). Cost per cup is 1¢ for either type, which runs about the same as the cost of any medium-priced coffee made by conventional methods.

Manufacturers of coffee extracts, on the other hand, sniff "Ersatz!" at cafe brands. These claims and counter-claims are almost certain to show up in national advertising, to the entertainment of bystanders and the confusion of consumers.

• **Market Increased**—One new manufacturer estimates the potential market for soluble coffee at 10% to 15% of total family usage, compared with perhaps 1% before the war, but concedes that even 7% would provide very satisfactory sales volume for several processors. The same company reports that 80% of the consumers it surveyed had previously tried existing brands of soluble coffee and had discarded them because of their unsatisfactory flavor.

Most manufacturers believe that the product has a waiting market. Prime sales appeal is convenience, especially for between-meal drinking; others are the ease of suiting individual preferences for coffee strength within a family, and foolproof flavor.

• **A Compressed Oddity**—Meanwhile another oddity—coffee compressed to half its normal bulk—is being marketed by a so-far anonymous manufacturer through Dover Food Shop, New York. Manhattan customers snatched it up for inclusion in gift boxes for shipment overseas.

INSTRUCTION FOLDERS

Western Air Lines, like its war-harried competitors, has too few seats for all the people who want to fly. To appease the disappointed and to drum home the importance of making seat reservations, Western adopts a whimsical (right) rather than patriotic tack. Distributed in folder form, the copy suggests unorthodox means of getting a seat on a plane. Besides the stewardess and package disguise, there's the "interceptor" method (lashing a Fourth of July rocket to one's posterior) to hook a ride en route. Western, however, insists that phoning early for a reservation is easier.

Television Boost

Advertising men look for mushrooming activity if prewar standards get an O.K. from FCC. Departments are multiplying.

Mushrooming of television departments in advertising agencies is likely now that the Federal Communications Commission has made definite its spectrum allocations (BW—Jun. 23 '45, p. 90) permitting resumption of television on prewar standards.

• **Some Are Limited**—About 30 advertising agencies now have at least a one-man television department, although it may be combined with radio, and its function may be limited to keeping abreast of television developments.

A survey by Broadcasting magazine last spring indicated that 27 agencies then had television departments. Of these, 17 had undertaken experimental broadcasts and 15 claimed a total of 25 television clients.

Among the agencies in this still-new field are Batten, Barton, Durstine & Osborne, Inc., J. Walter Thompson Co., Ruthrauf & Ryan, Inc., Young & Rubicam, N. W. Ayer & Son, Inc., Charles M. Storm Co., Compton Advertising, Inc., Cecil & Presbrey, Inc., and Kenyon & Eckhardt, Inc.

• **About 10,000 Sets**—The advertising profession believes that this is a good showing, considering that the country's nine television transmitters probably reach less than 10,000 receiving sets.

Television Broadcasters Assn. estimates that the bulk of these is distributed something like this: between 5,000 and 6,000 in the New York, New Jersey, and Philadelphia area, 800 to



1,000 in the Chicago area, and between 500 and 700 in and around the Los Angeles section.

• **Producing Companies**—Most advertising agencies active in television produce their own shows, but there already exists a small handful of organizations that will take care of the production and staging of television shows for sponsors.

Among them are Radio-Keith-Orpheum Television Corp. (BW—Jun. 17 '44, p90), Cine-Television Studios (BW—Nov. 11 '44, p95), Television Workshop (BW—Sep. 16 '44, p83), and Patrick Michael Cuning Teleproductions of Los Angeles.

Co-op's Privilege?

Farmers Union GTA faces showdown on practice of charging selling commission on grain bought for its own account.

Kingpin in the northwest spring wheat marketing business is Farmers Union Grain Terminal Assn., farmer-owned cooperative operating chiefly through the Minneapolis Chamber of Commerce cash and futures grain markets.

• **An Agent and a Buyer**—In each of the past two years, it has sold some 200,000,000 bu. of grain for its hundreds of country elevator co-op members and patrons. It acts simply as selling agent in some instances; it buys the grain itself when that policy appears most propitious—when, for instance, it may seem advisable to hold grain for a better market.

But in one major aspect its operations are distinctly unorthodox in the eyes of many. For it collects a commission on all grain it handles; even when it is buying grain from a member or patron for its own account, it charges the seller a sales commission. (Its justification is that as a co-op, its profits or "savings" belong to members and patrons and hence are returnable periodically to them in the form of patronage dividends.)

• **A Matter of State Law**—Private grain firms can't do this. A 1917 Minnesota law forbids a person or firm from acting both as agent for the seller and as buyer or buyer's agent.

But Farmers Union GTA claims the right to do so under a later Minnesota law, passed in 1923, regulating co-ops and permitting them to buy, sell, or deal in their own products or products of individual members or patrons. Five times in the past 16 years, the right of co-ops to charge a selling commission

**GENTLEMEN, THIS
CONFERENCE HAS LASTED
AN HOUR TOO LONG!**



To help keep meetings on the beam Send for this free book

TODAY, with the many extra demands on executive time, it is more important than ever to keep your business meetings as brief and direct and efficient as possible.

Hammermill's management-idea book, "How to Harness a Conference," shows you how to plan meetings, decide exactly who is to cover what, eliminate pointless oratory, buck-passing and alibis. More important, it tells you how to follow your decisions with action—by "putting it in writing." Send for this compact, practical book which thousands of business men have found so helpful. Just mail the coupon. No salesmen will call.



**Rely on dependable Hammermill
Bond for your office printing.**

LOOK FOR THE WATERMARK — IT IS HAMMERMILL'S WORD OF HONOR TO THE PUBLIC

HAMMERMILL BOND

Companion papers for office use include Hammermill Mimeo-Bond and Hammermill Duplicator

Hammermill Paper Company
1455 East Lake Road, Erie, Pa.

Please send me—free—a copy of the book, "How to Harness a Conference."

Name _____ Position _____
(Please write on, or attach to, your business letterhead)



HE JUST CAN'T STOP
ONCE HE STARTS ON THAT
ROEBLING STRIP STEEL.

AND DID YOU KNOW
ROEBLING ALSO MAKES
WONDERFUL WIRE ROPE,
WOVEN WIRE AND ELECTRICAL
WIRES AND CABLES?



Roebling produces every major type of wire and wire product... toaster cord to telephone cable... bridge cable to wire rope... fine filter cloth to heavy grading screen... strip steel and flat wire to round and shaped wire... all Roebling products. All the result of over 100 years of wire specialization.
John A. Roebling's Sons Company, Trenton 2, N.J.



ROEBLING

PACEMAKER IN WIRE PRODUCTS

WIRE ROPE AND STRAND • FITTINGS • SLINGS • SUSPENSION BRIDGES AND CABLES
COLD ROLLED STRIP • HIGH AND LOW CARBON ACID AND BASIC OPEN HEARTH STEELS
AIRCORD, SWAGED TERMINALS AND ASSEMBLIES • AERIAL WIRE ROPE SYSTEMS • ROUND
AND SHAPED WIRE • ELECTRICAL WIRES AND CABLES • WIRE CLOTH AND NETTING

Juicy small oranges

BEST BUY NOW!



QUALITY IN QUANTITY

In a brisk campaign to prove that the best may come small, California's Sunkist has appropriated \$1,000,000 to sell a record crop of Valencia oranges—record in total quantity (34,000,000 boxes) and record in size—or lack of it—for 92% are small. The G.I.'s are taking 100,000 cases a week, of which 90% must be large or medium sized. That leaves the retailer with the bulk of the "ping pong" fruit—to sell at OPA ceilings. Despite the sales campaign, many arm-weary New England housewives are reported turning to canned juice—chiefly from Florida oranges. Meanwhile, a Dept. of Agriculture study recently reported that the small oranges, on the average, have a better flavor and more vitamin C value than the larger ones.

for the products that they buy has been upheld by attorneys general in the state of Minnesota.

• **Ordered to Show Cause**—Last previous action of this kind was filed in January, 1944, by Ray P. Chase, perennial state officeholder or candidate for office. Since then, Chase has been elected a member of the Minnesota Railroad & Warehouse Commission, governing body with jurisdiction over such cases. Last week, the commission instituted its own action, ordering GTA to show cause why its license as a grain commission merchant should not be revoked.

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BUSINES

missions, GTA was charged with falsifying figures as to the amount of its business so as to obtain the smallest possible bond covering its operations. Hearing is scheduled for July 19 in St. Paul.

• **Threatens to Move**—The commission's action prompted an immediate threat by M. W. Thatcher, GTA general manager, to move the co-op's major operations out of Minnesota if its commission license is revoked. Since GTA does about 20% of all business performed in the Minneapolis cash and future grain markets, this could be serious.

General opinion is, however, that the entire matter will blow over and that GTA will be permitted to operate as before.

RIVAL FOR DOCK STREET

A rival to Philadelphia's Dock Street wholesale produce market may result from the five-day week schedule recently adopted by merchants and the Teamsters' Union.

Farmers from the heavily agricultural southern New Jersey counties have agreed to establish the Camden Farmers Market for wholesale distribution of their crops on Saturday, a day the Dock Street Market does not work. Opening day for the new market has been set for July 14.

County agricultural agents circularized the farmers and retailers from the Philadelphia and Camden area and received a hearty response, they said, and the Camden Farmers Market Assn. arranged for the farmers to have use of the market.

Announcement of the opening of the market, which conceivably might expand into a daily operation if the differences between farmers and union over unloading costs and unionization of drivers and helpers continue at Dock Street, coincided with farmers' complaints against the two-day week end holiday. They protest that the quality and price of fresh fruits and vegetables depend almost entirely on freshness of the produce, and that when the markets are closed both Saturday and Sunday, it means that Friday's ripe crops are not available until Monday, which is usually one of the slow buying days.

USED '42 CARS EASED

Used 1942 cars went off rationing July 2, as expected (BW—Jun.16'45, p74). OPA noted that it is doubtful that many of them now are in any better shape than older cars, particularly since many have been driven steadily by public officials, doctors, and war

Tiny CLARE Type "K" RELAYS Withstand Walkie-Talkie Shock and Abuse...



Clare Type "K" Relay

There's no extra room in a Walkie-Talkie. Inches and ounces are at a premium in these communication devices so important to invasion warfare.

Clare Type "K" Relays, "custom-built" for the specific job, were selected by Emerson Radio and Phonograph Company for these devices because of their tiny size, dependable performance, and their ability to withstand the shocks and vibrations of strenuous war activity.

Clare "Custom-Built" Relays are designed for the most exacting usage ... for requirements where long life, quick, easy replacement, and other factors have an important bearing on satisfactory performance.

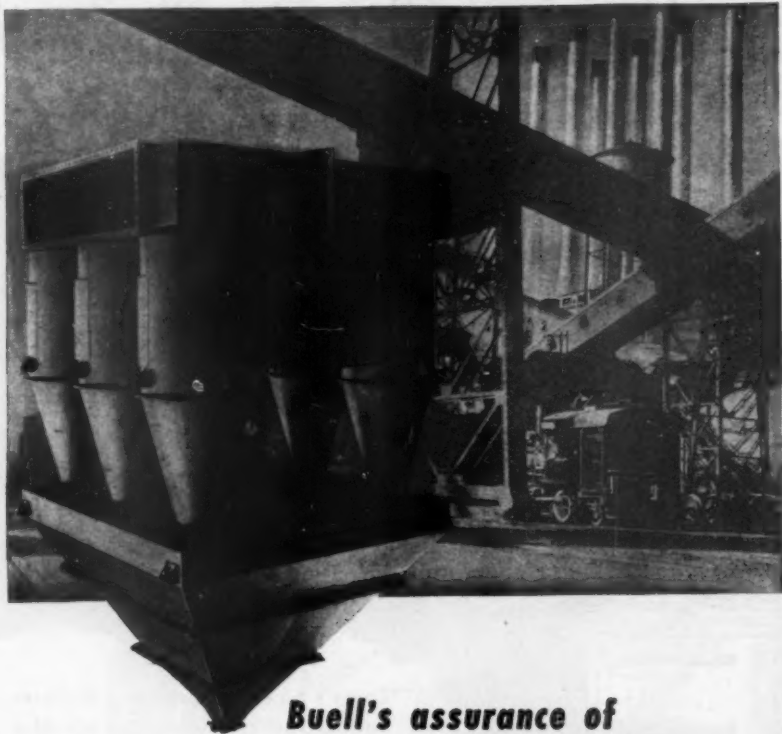
For maximum reliability in such special functions, Clare "custom-building" makes possible a flexibility of design and construction which permits most reliable operation under severe conditions of temperature, humidity, atmospheric pressure, and vibration.

Looking ahead to new products? ... new designs? ... new applications? Be sure your engineers know all about Clare "Custom-Built" Relays and what they can mean to you in more compact construction, more efficient operation, and reduced overall relay cost. Send for the Clare Catalog and data book. Address: C. P. Clare & Co., 4719 West Sunnyside Avenue, Chicago 30, Illinois. Sales engineers in principal cities. Cable address: CLARELAY.



CLARE RELAYS

EXTRA STURDY CONSTRUCTION



**Buell's assurance of
HIGH EFFICIENCY, LOW MAINTENANCE, LONG LIFE**

BUELL (van Tongeren) Dust Collectors have been in use for five or more years without a failure, without the replacement of a part. Many installations having been in continuous use under the most exacting operating conditions and at high working temperatures.

This recognized ability to withstand wear, heat and vibration is due to Buell's extra-sturdy construction. Fabricated of extra thick steel, completely seal-welded inside and out, with welds ground to a flush smooth surface, Buell bodies and cones are as "tight" as a casting. Buell hoppers, for example, have a reputation for especially rugged construction; braced and stiffened with 3" channels that offer strong resistance to vibration.

Finally, because Buell provides this needed ruggedness, Buell (van Tongeren) performance is always dependable.



Engineers and plant executives will find much of interest in Buell's 32-page book:

"The van Tongeren System of Industrial Dust Recovery"

BUELL ENGINEERING COMPANY, INC.

60 Wall Tower, New York 5, N. Y.
Sales Representatives in Principal Cities

DESIGNED TO DO A JOB, NOT JUST TO MEET A "SPEC"

BUELL FEATURES

SHAVE-OFF
LARGE DIAMETERS
EXTRA-STURDY CONSTRUCTION
CORRECT HOPPER DESIGN
SPLIT-DUCT MANIFOLDS
INNER WELDS GRIND SMOOTH

RESULT IN

HIGH COLLECTION EFFICIENCY
LESS FAN BLADE WEAR
LOW DRAFT LOSS
LOW POWER CONSUMPTION
HIGH TEMPERATURE RESISTANCE
UNLIMITED CAPACITY
NO MOVING PARTS
FREE DUST FLOW

PRODUCE

HIGH EFFICIENCY
LOW MAINTENANCE
LOW OPERATING COST
LONG LIFE
NO CLOGGING

workers eligible under rationing rules. Then, too, such essential users will get the first chance at the new cars, when they start moving to market a few months hence.

Dealers have reported difficulty in selling used 1942 cars to certificate holders.

Goodwill Gesture

Retailers make a big play for friendship, and eventually patronage, of returning veterans. News in miniature is popular.

Retailers, wise in the ways of catching the customer's eye, are pulling out some of their best promotional stunts designed to capture the goodwill, and eventually the patronage, of the returning serviceman.

Newest and most timely of these stunts is the offer of a free photostatic copy of the veteran's discharge papers, reduced to wallet size and sandwiched between transparent plastic for protection. This is the brainchild of ex-sailor Harold R. Udkoff, now owner of the Photo Plastic-Seal Co., Los Angeles. Udkoff is now servicing over 200 department stores, no two in the same city.

• **Two Visits to Store**—The idea works this way: The veteran brings his papers into the store and is given a receipt. The papers are sent by registered mail to Udkoff who claims that of the 40,000 processed up to June 1, he hasn't lost a one (the Nebraska Clothing Co., Omaha, didn't want to take any chances so bought its own photostatic equipment, and just sent the copy to be plasti-sealed). The store pays Udkoff 25¢ for each set of papers.

Store operators like the idea even though no strings are attached; it gets the veteran into the store twice, and as a test made by Silverwoods clothing store in Los Angeles (first to use the service) proved, one-third make an immediate purchase.

• **Hints on Business**—Using another timely approach, the Hub in Chicago distributes a copyrighted pamphlet in color, briefing the veterans on their rights and duties as civilians. The educational division of the Better Business Bureau, in another adaptation of this idea, has prepared two "Fact" pamphlets on what a veteran should know before starting a business, and what he should know about buying or building a home. These are being ordered by a number of department stores for \$3.50 a hundred and distributed to veteran customers.

Probably the most popular idea with

**ORGANIZER
OF
"FACT-POWER"**

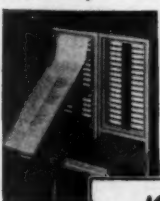


HE frees business from the curse of idle facts

What is unusual about this man?

It's his ability to inject the priceless element of *control* into your business records . . . to give them "Fact-Power."

Without control, records are a mere history of stock . . . cost . . . personnel . . . sales. Such records *fail to indicate in themselves what action should be taken, and when*. Minor and major decisions alike must wait upon analysis of recorded facts, unless record systems provide *control*.



Sight analysis, made possible by the development of Kardex Graph-A-Matic charting sig-

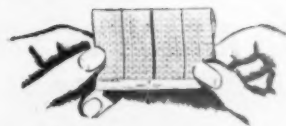
nal control, is saving thousands of man-hours every day because somebody called in the *Systems Technician*. While providing the all-important control, this man also knows how to simplify and consolidate duplicated and overlapping records. He can design them to eliminate waste effort, house them for faster, easier reference, protect them from fire at the point of use.

Through knowledge interchanged with his hundreds of colleagues, he offers you the accumulated record-control experience of leading organizations everywhere. He is at our nearest Branch Office, and can go to work for you today.

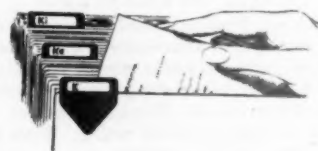
KARDEX IS

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. . . 1 among many methods and types of equipment from which the Systems Technician selects and combines those best suited to individual needs.



HE started a stock control "revolution" with a slip of paper. One "new idea" helps scores of leading war producers to meet delivery schedules with lower stockpiles and less expediting. Gives simple, speedy, positive coordination of supplies with actual needs. Saves clerical labor and executive time. Ask about the new "Graph-A-Matic" Computing Chart, if you are interested in combining high stock turnover with low operating costs.



HE simplifies control of 3,000,000 papers monthly for motor maker. Wright Aeronautical Corp. needed a filing system to keep pace with mushrooming war activities, yet retain basic simplicity. The solution: *Variadex*, the expansible alphabetic index with *rainbow color* "finding" for maximum accuracy and speed. Effective filing control ends waiting for "lost-or-strayed" papers. Remington Rand filing systems and equipment are designed to meet every individual need.



HE makes signals tell the whole truth fast. Modern records are *self-analyzing* records. With Kardex Graph-A-Matic signal control they visually separate abnormal conditions from normal ones, indicate at a glance where attention is needed. One hundred and thirty-six examples of successful *management-by-exception* on the part of prominent companies are illustrated in "Graph-A-Matic Management Control." This valuable and important study is available to executives on request.

**SYSTEMS DIVISION
REMINGTON RAND**
315 Fourth Avenue, New York 10, N. Y.

COPYRIGHT 1945, REMINGTON RAND INC.

Speed Sweep WITH A BACK OF STEEL



Makes Light Work Out of Tough Sweeping Jobs

Steel back of Speed Sweep brushes is the basis of unique construction for faster, easier, better sweeping. Block is $\frac{1}{2}$ usual size—easier to handle. Tufts of longer, better fibres are more compact—provide "spring and snap" action. Handle instantly adjustable to height of sweeper—reduces fatigue and strain. Speed Sweep brushes are built to outlast ordinary brushes 3 to 1.

FULLY GUARANTEED

Since Pearl Harbor Speed Sweep brushes have proved their superiority in many thousands of factories under varied conditions. They are unconditionally guaranteed to meet your requirements. Prompt shipment on AA-5 or higher priority rating. Write for styles, sizes, and prices today.



SCHIELM



For FORTY YEARS

We've been producing highest quality truck bodies and trailers... for many of the best known national fleet operators. Consult our Engineers on your prospective needs for

- FLEET TRUCK BODIES
 - SALES COACHES
 - INDUSTRIAL TRAILERS
- for any type of portable equipment

SCHIELM BROTHERS, INC. EAST PHOENIX, ILLINOIS

MERIAM MANOMETERS

- These instruments are available in various types: "U-type," "Well Type" and other designs and styles such as "Clean-out" and "Gland Packed" to meet different pressure requirements—all employing the manometer principle for measuring drafts, flows of liquids and gases, levels of liquids in tanks, etc.

THE MERIAM INSTRUMENT CO.
10932 Madison Avenue • Cleveland 2, Ohio
In Canada: Pinesack Bros. Ltd. Montreal

Smoother Service for Disabled Veterans

Although department stores are vying for the trade of the returning servicemen, selling the disabled veteran poses a special problem. To make the adjustment easier both for the veteran and for the retail employee, five New York C.I.O. department store unions last week embarked on a program to help prepare their members for the job.

A special section in "Department Store Employee," official organ of the locals, emphasizes the importance of the attitudes and actions of retail employees serving the veteran.

• **Would Minimize Shock**—On the theory that familiarization will eliminate shock reaction, the unions are making arrangements with store managers to put up displays where employees can become accustomed to seeing a manikin with a prosthetic hook hand.

The union's advice to employees, should a man with an artificial hand reach for change, is that the salesperson count out the bills first, wait until these have been pocketed, then hand the veteran the coins—not putting them on the counter for he may

have difficulty picking them up from the smooth surface.

Unknown to the man on crutches, elevator starters should give the "that's all" signal before the car is packed to capacity. And operators should take care to see the car is level with the floor at each stop until the disabled passenger is out of the car.

• **Hints on Fitting**—Clerks showing a jacket or coat to a serviceman with an artificial arm should make a special effort to get a private fitting room; another tip to employees is to hold the jacket so the inflexible artificial arm can slip into the sleeve first.

To the shoe salesman fitting a prosthetic limb, the union points out that feet are scaled to size so that the shoe which fits the real foot will also fit the artificial one; most tactful way for the salesman to get around this is to ask the veteran if he'd like to see how both shoes look.

Throughout its suggestions the union places most emphasis on meeting the serviceman's need in the least obvious and most matter of fact manner possible.

retail stores has been publication of miniature editions of hometown newspapers, distributed free, but obtained only through a relative or friend who calls at the store to obtain a copy for mailing.

• **45,000 a Week**—For example, Spear & Co., which has furniture stores in New York City and Pittsburgh, for almost two years has been producing 45,000 miniatures a week of the tabloid, New York Daily Mirror (in Pittsburgh, it's the Sun-Telegraph). Editorial content, made up free by the Mirror's staff, includes selections of last week's news, columnists, and comics. Printing is paid for by Spear and done outside the Mirror.

As a rule, the only advertisement is Spear's credit line. Mailing envelopes, but not postage, are supplied free, making the per copy cost to Spear's slightly more than 1¢.

Among other stores that are following the same tack are the Donaldson Co., Minneapolis; Strawbridge & Clothier, Philadelphia; William Hengeler Co., Buffalo; Jordan Marsh Co., Boston; and D. H. Holmes Co., Ltd., New Orleans.

• **Sponsors Sport News**—In addition, stores are sponsoring tab sheets in local papers for clipping and mailing to serv-

icemen. Isaac Hamburger & Sons, Baltimore haberdashers, publishes a four-page weekly sports paper.

Many stores have run ads in European papers addressed to the serviceman. For instance, Woolf Bros., Inc., clothing chain in the Midwest, has advertised in the London Times and Honolulu Advertiser, and regularly places ads in papers in Alaska, Australia, and New Zealand. Maurice L. Rothschild in Minneapolis and St. Paul has been running weekly ads in the Paris edition of the New York Herald Tribune. Ads carry the store's name and address, with such messages as "a rousing welcome is waiting for you in the good old U. S. A."

As a Father's Day feature, Bullock's of Los Angeles and Rich's of Atlanta mailed copies of the Saturday Evening Post's overseas edition, "Post Yarns." Davidson-Paxson Co., R. H. Macy & Co.'s Atlanta affiliate, distributes a booklet "Atlanta Landmarks You Love." Other stores mail and wrap overseas packages free of charge.

And it is all, ostensibly, nothing more than a gesture of goodwill, with a silent hope that the veteran will remember the store when he comes to furnishing his new home, or buying that new outfit of clothing.



This is the exclusive
WORKING FORCE that operates
 White-Rodgers Temperature Controls
quickly, accurately and automatically

This is the powerful Hydraulic-Action element used exclusively on White-Rodgers automatic temperature controls. It is compact and easily adjustable to any use. It may be mounted at any angle or position. Controls equipped with it need no recalibration no matter where installed. Predominantly used in heating, refrigeration and air-conditioning. Readily adaptable wherever applications require accurate control of temperature. Write today for engineering data for your present or post-war products.

**Here's How
 It Works:**



CONTRACTED

At left is a cross-section of the diaphragm and part of the liquid-filled capillary. The liquid has contracted, the diaphragm moving inward, causing the switch to function.



EXPANDED

In view at left, the liquid charge of the capillary has expanded with a rise in temperature. This positive force moves the diaphragm outward and causes the switch to function.



WHITE-RODGERS ELECTRIC CO.

ST. LOUIS 6, MISSOURI

Controls for Refrigeration

Heating

Air Conditioning

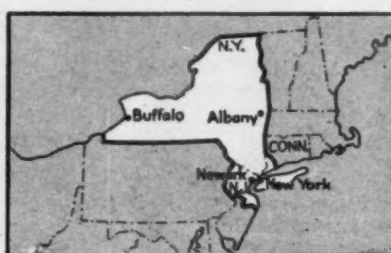
THE REGIONAL MARKET OUTLOOK—

A summary of industrial, agricultural, and other trends, affecting the income and general business prospects in the twelve Federal Reserve districts of the nation for most recent month. (Last month's report: BW—Jun.9'45,p100).



BOSTON—Shoes, cottons, woollens, and similar soft goods lines which normally bulk large in New England's peacetime economy are now due for a comeback. Military demand for these lines currently is rising, and labor supply is easing as employment falls in shipbuilding, ordnance, and aircraft output. Indeed, production has turned up already. Having already suffered more than its share of armament cutbacks in the past 18 months, this district should begin soon to run smaller job declines than the average.

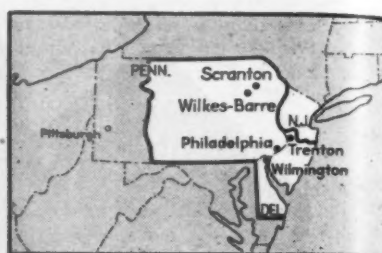
Pace of district reconversion in durable goods lines will be less rapid than appeared formerly. Smaller companies predominate here, and with the continuing pinch on materials, and official go-aheads to major metal consuming industries, this region's heavy lines will get a smaller share of materials in the scramble than these industries' ready reconvertibility first seemed to warrant.



NEW YORK—Labor shortages in New York City itself never became so severe as in other areas during the war, so absorption of munitions layoffs into trade and service lines will not help to sustain employment so much in the metropolis as elsewhere during reconversion. So income relatively may decline for the time being, although it will not have so far to fall as will that in other parts of the country.

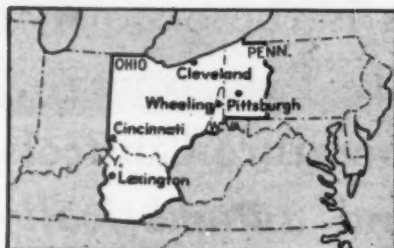
Business conditions vary in other industrial areas just as they do across most of the nation—both in the extent of current cutbacks and in the promise of future reconversion. But in general, areas in this region outside of New York City are dropping off a bit faster than elsewhere.

New York State farmers ran up an 8% gain in receipts over 1944 in the first quarter of 1945 as against no increase in the nation as a whole—a favorable augury for the remainder of the year.



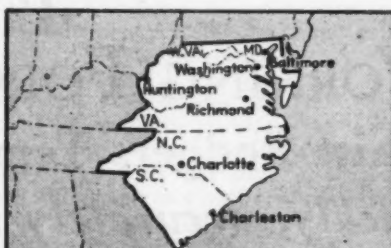
PHILADELPHIA—This city's critical labor shortage has been dissolved by the weight of armament cancellations, but no signs of unemployment are appearing or expected for some months yet. Almost 100,000 workers have lost war jobs in the region already, and in a few spots, such as Wilmington, the income drop has been substantial. But Reading, York, Johnstown, and other city payrolls are still running somewhat above year-ago levels. The Philadelphia industrial area has suffered a slight decline in basic industrial income, though trade and service wages are higher.

Farmers have recovered from some of the early spring's unfavorable weather conditions, though some fruit and vegetable yields have been irremediably reduced. Receipts thus far this year have been running above 1944's, but there is no assurance that the gains will continue to hold through the autumn.



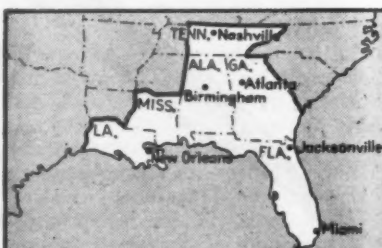
CLEVELAND—Surprise at the stability of war contracts as well as war production is still the business keynote in this heavy-goods region, and reconversion plans are gradually being postponed. It's not just that the big layoffs haven't come yet; beyond that is the fact that new munitions orders seem to replace those cut back. The eastern half of the region, however, has seen some drop in both shell and steel activity and payrolls. A few postwar plants are already shaking down—for Cincinnati, Columbus, Defiance, Sandusky—and additions are about to be made at steel works in eastern sections of the district.

The Ohio agricultural prospect is not too bright. Income so far has remained at 1944 levels. Also, although milk output is high, the spring pig crop was below last year's. Eastern Kentucky, however, is still riding high on late tobacco receipts from the 1944 crop.



RICHMOND—Cutbacks are showing up in spots—Elkton, Md., New River, Va., New Bern, N. C.—and war labor needs have already eased up in Baltimore, Wilmington, and one or two other cities. But in general, the munitions decline is as gradual here as elsewhere, with new tightnesses showing up occasionally, as at Asheville, N. C., and soon at Radford, Va., and current payrolls are being buoyed by wage lifts to the 55¢-an-hour minimum in textile and other lines. Meanwhile, some major postwar plant projects are showing up at Charleston, S. C., Baltimore, and possibly near the Maryland border.

Tobacco stands are better than average for this season, but cotton is off to a bad start, while corn, peanuts, and soybeans are about even with last year. Milk output is high, commercial chick production is soaring, and the spring pig crop averages 12% above 1944.



ATLANTA—Not only are cutbacks hitting Mobile, Chattanooga, Huntsville, and other arms centers but the turn has come even in work on B-29's here in Atlanta. General job declines are still gradual in the district, as nationally, but income is definitely on the downswing. Shipbuilding ports, however, are now turning toward expansion of shipping for peacetime, and postwar plant building is taking more definitive form. These gains will help cushion what otherwise will be a more-rapid-than-average decline in payrolls.

Mississippi and Florida have registered the best income gains over 1944 so far, but aside from fluctuating crop receipts which affect the farm totals, livestock returns generally in the region have been running well above the averages for last year. The crop outlook for this year is better than average for the most part, in spite of the unfortunate spring weather.

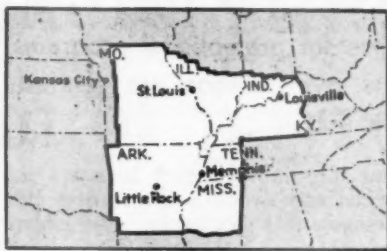
-A GUIDE TO INCOME TRENDS

Most agricultural regions have recovered somewhat from poor spring conditions, and a fair farm year is in prospect. Industrial regions are undergoing gradual readjustment to the one-front war with few startling changes in evidence.



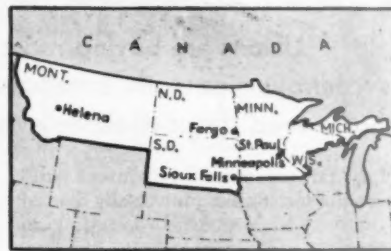
CHICAGO—Payrolls are still sliding in this heavy goods region—with Detroit, down over 20% in factory jobs from last year, as the symbol. No slowing of the decline is looked for until late autumn, when plants will be changed over and materials will begin to become available. Meanwhile, spreading strike troubles threaten to put some crimp in reconversion, though business prospects have not yet been seriously impaired. In general, with farm machinery, rail equipment, household appliances, trucks and other civilian goods as well as autos due for rapidly rising production, there is little fear of unemployment.

Farm income is now reflecting the expected 1945 drop in livestock receipts—the drop below 1944 ranging from 3% in Michigan to fully 18% in Iowa for the first quarter. Prospects are for a slight pickup later, and even those hopes may be dashed by a poor corn crop due to late planting.



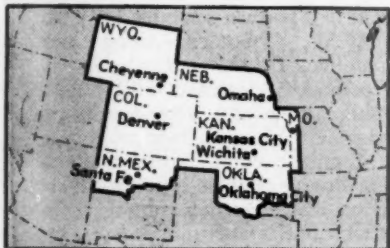
ST. LOUIS—This city is soon to be hard hit—belatedly—by cutbacks: An aircraft plant will release 10,000 workers by Aug. 1, and an ordnance works will lay off 15,000 by Oct. 1. Shipbuilding jobs, mostly at Louisville and Evansville, already halved from 30,000 in 1945, now will hold more stable, and rocket work will rise at Charlestown, Ind., Memphis, Tenn., and Camden, Ark. Because they fell off earlier last year, non-farm job totals now are up to year-ago levels in most of the district, as against a drop in the nation, and in Arkansas are even above 1944.

Bad spring weather has been more concentrated here perhaps than in most farming sections, and the prospect is for poorer crop harvests and receipts than last year. Current livestock returns also are down. On the whole, however, district income should fall no faster than the nation's over the rest of the year.



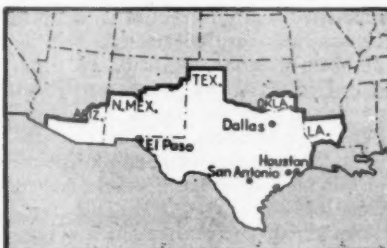
TWIN CITIES—Diverse weather conditions over recent weeks have to some extent repaired the earlier agricultural damage. Most important is the excellent condition of spring wheat, though the June break in weather also helped corn, pastures, and haying operations. However, there may still be autumn harvest troubles. Receipts so far this year have been 10% to 15% below 1944, except in Montana. This reflects the lower level of livestock production and marketings. Good crops could lift the district's cash total to within hailing distance of last year by the end of 1945.

Some caution has crept into retail activity, as much because of the arms outlook as because of the slight but steady relaxation of labor shortages as war employment eases off. Westward freight movement may help some railroad towns, but tourist activities remain generally curtailed, except for some easing in gas rations.



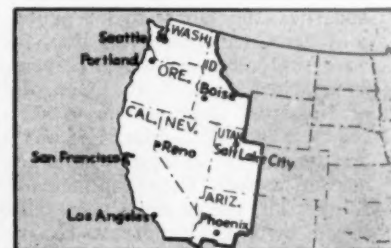
KANSAS CITY—Through ups and downs in weather, farmers are now getting to harvest what is still a good winter wheat crop in most of this district. Corn is not so promising, but there is a whole summer of unknown weather ahead, and much will hang on how long autumn frosts hold off. There is considerable variation from state to state, and even cash receipts to date are well up from 1944 in some areas, down in others; nor are past returns and future prospects in accord. All in all, therefore, it is likely that the region will average out through the year pretty much in line with 1944 results.

The cutback lightning has pretty much held off so far out here, though a few thousand workers are being laid off in Kansas City and a few thousand more in Wichita. There is apt to be sharp variation in impact among the many one-war-industry towns, but specific prospects are as yet hard to see.



DALLAS—Weather and crop progress has been spotty throughout the Southwest, but in general conditions are fairly good. Drought is still hurting the range country, Rio Grande truck crops, Panhandle wheat, and plains area cotton planting, and there are other troubles elsewhere, but the net effect on farm income will not be too sharp. Receipts so far are about at 1944 levels, and the region is likely to average almost as well for the full year—with wide differences still possible in specific sections.

Right now, aircraft and shipbuilding seem to be the main job losers, with chemicals, oil, ordnance, and interrelated activity thus far slated to hold steady for some time ahead. Redeployment troop movements will temporarily reactivate some of the training camps here, with a corresponding lift to civilian employment and trade. There are as yet no major signs of new postwar industries to cushion employment.



SAN FRANCISCO—Steep declines in aircraft and shipbuilding jobs in California have shown up on aggregate payroll curves but have not yet heavily affected retail sales totals. Certainly, there is a stepup in shipping, ship repair, construction, and other activities outside factories directly associated with the Pacific war, but the cushioning effect of this seems due to wear off after a while. Meanwhile, the Pacific Northwest is not going down as rapidly—nor benefiting as much from the ancillary military activities. Going from war to ultimate peace conditions, this region will suffer a sharper-than-average income drop commensurate with its unusual wartime boom, but it seems the decline will be gradual.

The agricultural outlook hasn't changed much and on the whole it is fair. Northwest wheat is up, but apples are down; California fruits are up slightly, but vegetables are off a bit. Receipts so far are up a trifle.

LABOR

Labor's Case Goes On the Air

Unions are buying radio time for promotional programs as controversies with broadcasters over taboos are cleared; labor-owned stations are the eventual goal.

Last fall organized labor found radio microphones almost universally barred to unions; labor matters, according to networks and independent stations, were too controversial for the air.

Today, the muzzle is off—part-way. Unions have been given a voice in weekly sustaining programs on the networks, and they have been permitted to buy time on some individual stations.

But they still feel they have not received unequivocal assurance from the networks that they can buy time whenever they request it, and for whatever purpose.

• **Code Barrier**—Still standing in labor's way is a provision—for use as broadcasters might see fit—in the code subscribed to by all members of the National Assn. of Broadcasters. Under it

"discussion of labor problems is almost always of a controversial nature," therefore taboo. While this has been more and more liberally interpreted in recent months, it still is a staunch barrier to unfettered labor broadcasting.

Recently N.A.B.'s executive board recommended that the organization's members expand labor activities. Conceivably, this could result in a further relaxing of the code. Labor hopes so—but it isn't placing too great reliance on the possibility.

• **The Air Has Cleared**—Aside from dissatisfaction with N.A.B.'s code, and a dislike for many of radio's topnotch news commentators, labor today has little against radio. The air has been cleared of much of the name-calling, recrimination, and misunderstanding that led to "freedom of the air" campaigns such as that by which the United Auto Workers (C.I.O.) won a precedent-setting surrender of time from sta-

Varied Publicity Media Being Used by Unions

Labor, which has been making steady gains in its fight for a chance at the radio listeners' ears, also has plans for presenting its story in ways that will catch the eye. Motion pictures, animated cartoons, pamphlets, labor book clubs, and newspaper comic or adventure strips are being used on an expanding scale to carry labor's message to union members, and later labor hopes to the public.

• **Wider Circulation**—Next steps toward this end probably will be news stand circulation of the Congress of Industrial Organizations' weekly C.I.O. News (BW—Mar.31'45,p83), and syndication of its new labor adventure cartoon feature, principally to the 200 union newspapers published by C.I.O. affiliates. Expansion of the C.I.O. News' 400,000 circulation by news stand sale is intended to build it up as a rival to The American Federationist (A.F.L.) in the eyes of the general reading public.

C.I.O. has been making extensive use of motion pictures, not only to aid organizers by showing union activities, but also to spur union production, give members a broader conception of organized labor as an economic force, and educate workers on broad national and international issues. C.I.O. has a list of 72 films—most of them released through the Office of War Information—recommended for union hall programs.

• **U.A.W. Leads**—The United Auto Workers (C.I.O.) has been in the

fore in motion picture activities. During February U.A.W. sent out 100,000 feet of film weekly, and its programs were seen by 375,000 members in local halls throughout the country. Most of the films shown were OWI documentaries, but the U.A.W.—which pioneered in production of animated cartoons with its "Hell Bent for Election" which, in 1944, supported C.I.O.'s Political Action Committee—has contracted for a number of labor shorts to be produced especially for union use. Two of these, one illustrating the handling of grievances, another dealing with the question of re-employment of veterans, have been widely circulated.

An allied type of program is being sponsored by C.I.O. Recordings of addresses, dramatic skits, and special labor events are circulated to local unions. One of these, issued recently, was based on the labor career of C.I.O.'s president, Philip Murray. Another was on tolerance.

• **For Members Only**—So far these programs have been restricted for the most part to union members and prospective members. The public in general is kept abreast of C.I.O. developments through distribution of pamphlets and other literature to a mailing list of 60,000 persons or organizations in a position to influence public thought.

These pamphlets and C.I.O.'s monthly Economic Outlook carry the

union's message to those who want theories, facts, and figures. More popularized versions of messages make use of the color comic book format which proved successful in the P.A.C. campaign (BW—Sep.23 '44,p22) and has since been utilized to put across such C.I.O. points as the necessity of racial cooperation for the maintenance of labor's position in a postwar scramble for jobs.

• **I.W.W. Precedent**—Along the same line, C.I.O., particularly, has been making more and more use of comic cartoon and adventure strips and panels. Many of these are drawn by topflight comic artists with a labor leaning, but do not carry their names. Use of cartoons, however, is not new in the labor movement. The Industrial Workers of the World (BW—Jan.6'45,p96) used them years ago in dealing with workers who wouldn't—or couldn't—otherwise read I.W.W. literature.

The changed situation since those days is reflected in another C.I.O. project still in the planning stage. Impressed by reception of U.A.W.'s book club which sells selected labor-interest books to its members (BW—Dec.16'44,p107), C.I.O. is planning a book-of-the-month club.

C.I.O.'s efforts so far have outstripped the best its rivals have done. Present programs are being guided by Len de Caux, publicity director, and Kermit Eby, director of research and education.

Complete, simplified system of payroll and cost accounting now available to business

Effecting new economies in the three phases of labor accounting.

- (1) Payroll preparation.
- (2) Producing all the necessary payroll records . . . employee's check or envelope, earnings statement, earnings record, and the payroll journal.
- (3) Distribution of labor costs.

Any business, large or small, whatever its nature, will profit from National's simplified, yet *complete* system of payroll and cost accounting.

It will enable you to get your payroll out faster. It will provide complete and accurate information on the distribution of material and labor costs. It will save you money. It will free needed clerical help for other important jobs. You'll find it completely flexible, quickly adaptable.

National's staff of accounting specialists developed this new system after months of study of existing methods—their strengths and weaknesses. Many firms have already adopted it.

Here, for example, is what the National Industrial Payroll and Cost Accounting System is doing for one manufacturer:*

*Name on request

- 1 Eliminates the rating of 30,000 job tickets each week.
- 2 Eliminates the extension (Hours X Rate) of the 30,000 job tickets each week.
- 3 Eliminates checking the Rating and Extension of the 30,000 job tickets each week.

This is only a part of what the National Industrial System has accomplished for this firm.

The application of this procedure to your Company's requirements may result in attractive savings.

Full information on this system is available to your firm without obligation. Simply call your local National representative or write the National Cash Register Company, Dayton 9, Ohio.

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CASH REGISTERS • ADDING MACHINES
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CAN YOU FIND THE FAMILY RESEMBLANCE?

It would be a fruitless search . . . if you consider appearance alone. But look deeper . . . into the advantages they afford for many users. You'll see why these shapes and shells are all one big family.

They are all deep drawn by the Hackney Process, resulting in smooth finish, uniform thickness and temper. Ask users about them. One can tell you how they decreased the overall weight of a product. Another can point how his product's strength was increased. In other cases appearance was improved, costs reduced, production speeded up and durability increased. Often a combination of these advantages has been realized.

Pressed Steel Tank Company, specialists in the manufacture of deep-drawn seamless shapes and shells for over 40 years, has made them in capacities as small as one quart and as large as 150 gallons. Perhaps a Hackney Deep-Drawn Shape or Shell can help you in your production problem. Send us blueprints and available data. Of course, there is no obligation.



Pressed Steel Tank Company

Manufacturers of Hackney Products

1493 South 66th St., Milwaukee 14

1397 Vanderbilt Concourse Bldg., New York 17

208 South La Salle Street, Room 2072, Chicago 4

555 Roosevelt Bldg., Los Angeles 14

CONTAINERS FOR GASES, LIQUIDS AND SOLIDS

tion WHKC, Columbus, Ohio (BW-Aug. 26 '44, p. 88; BW-Oct. 28 '44, p. 7). Gains have resulted from mutual willingness to take chips from shoulders, to sit down across a desk and approach the matter of broadcasts on a business-like basis.

As long as present amicable relations persist, labor can—by and large—purchase just about all the advertising time it is willing and able to finance.

• **No-Strike Pledge Aired**—For instance, during the factional fight within U.A.W. over retention of the union's no-strike pledge (BW-Jan. 27 '45, p. 94).

Labor's Network Programs

Labor's voice on the air is taking the following form on the networks:

National Broadcasting Co.—"America United," broadcast Sundays at 1:15 p.m. E.W.T., devoted to major labor, agricultural, and business organizations for co-operative programs. During first quarter of 1945, A.F.L. had charge; American Farm Bureau Federation and National Grange alternated as sponsors for the second quarter, and C.I.O. and U. S. Chamber of Commerce will have their time during the last half-year. Programs have a forum format, all participating.

American Broadcasting Co.—"American Federationist of the Air," Saturdays at 6:45 p.m. E.W.T., a continuation of the Blue Network "Labor-U. S. A." program devoted for the first half-year to C.I.O. broadcasts. A.F.L. plans a weekly "news-magazine of the air" with Philip Pearl, the union's public relations director, as commentator.

Columbia Broadcasting System—C.I.O. is opening a new series, Saturdays at 3:45 p.m. E.W.T., replacing A.F.L.'s dramatic broadcasts—"Builders for Victory"—on the exploits of Seabees, 80% of them, according to A.F.L., from that union's building and metal trades unions. C.I.O. had charge of broadcasts during the first quarter-year; A.F.L. will take over again in October.

Mutual Broadcasting System—Irregular series of broadcasts, giving time on request for special A.F.L. or C.I.O. programs. Most recent: a C.I.O. dramatization of the Missouri Valley Authority campaign now before Congress. New labor program series in the planning stage.



*We spent thousands
on this Book and*

**It's yours for
a 3¢ stamp!**

If you're like most men, you're probably not sure just what hazards your fire and casualty insurance covers . . . you're uncertain whether your insurance is adequate for today's increased values . . . and you have no complete, detailed written record of your insurance protection. *And that's why you need this free U.S.F. & G. Personal Insurance Audit Book!*

Clear, simply-worded, and with each hazard illustrated, this new Personal Insurance Audit Book enables you to make your own complete insurance audit. It provides a permanent record of property value, amount of present insurance, amount of premiums, expiration dates, etc. . . . thus giving you your fire and casualty insurance picture at a glance.

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THE LABOR ANGLE

Sophisticated

The Office of Defense Transportation has become highly sophisticated about labor affairs.

C.I.O.'s United Rubber Workers, large sections of which are on the picket line or threatening to stop work in Akron, has been refused permission to hold its annual convention, originally scheduled for Chicago. Such a meeting, made up of delegates from local unions which are embroiled with employers and the National War Labor Board, would be a cinch to revoke U.R.W.'s no-strike pledge and, perhaps, authorize an industry-wide strike. Eliminating the convention will make it much harder for the rank and file to reverse the organization's official no-strike policy, which is being adhered to by the union's national leaders.

C.I.O.'s National Maritime Union, however, got a green light from ODT to go ahead with its annual convention opening this week in New York City. The merchant seamen have their beefs about the imminent cut in the war risk bonus which will take a substantial bite out of their take-home pay, but their officers run the union with a much firmer hand than that guiding the rubber workers. It is completely safe to assume that the N.M.U. convention will do nothing that the officers themselves would not do anyway.

ODT's explanation for letting the N.M.U. convention go on: About half of the membership claims New York as its home port.

V-U

The smart publicity department of Sidney Hillman's Amalgamated Clothing Workers Union has cooked up a new symbol which organized labor can be expected to make wide use of. It first appeared in a cartoon in the Amalgamated organ *Advance*. The cartoon is divided into three strips. The top one, with a map of Europe, is labeled "V-E." The middle one, showing an American soldier bayoneting a Japanese dragon, is labeled "V-J." The third, showing plant chimneys belching smoke, is labeled "V-U," and carries the line "no more unemployment." The

whole cartoon is titled, "One out—two to go." Watch the V-U—victory over unemployment—slogan get around.

Johnston

Extremely gratified by the public reaction to the U. S. Chamber of Commerce's part in getting a national labor and management "peace pact" signed by the A.F.L. and C.I.O. (BW—Apr. 7 '45, p80), Eric Johnston, president of the chamber and originator of the whole project, is currently making himself an expert on annual wages. Johnston's interest in the subject is not academic. But it does not necessarily mean that the C. of C. is about to become a proponent of guaranteed annual wages. What appears certain is that the chamber is about to do some serious considering of organized labor's guaranteed wage demand. And perhaps there will be developed suggestions on what management's policy should be.

Clever

Abbott Laboratories, North Chicago drug manufacturer, has just handed its employees the following notice:

"You probably don't expect any one outside of your own family to attach any importance to your birthday—but we do here at Abbott's. Every year, just before your birthday (not your anniversary with Abbott), you will receive a special birthday card. This card entitles you to a free meal in the Abbott cafeteria. Select all you want to eat, then instead of paying the cashier, give her your birthday card. It's on the house."

Commemoration

A drive is beginning—led by C.I.O.'s furniture workers—to write a new paid holiday into collective bargaining contracts. The day is Jan. 30, birthday of Franklin D. Roosevelt. Union leaders behind it contend that the late President was the greatest friend labor ever had and that there can be no better commemoration of his works than a day off—with pay—once a year in his honor.

the bloc supporting the pledge purchased eleven hours' broadcasting time, spread in quarter-hour and half-hour programs over 21 radio stations in automobile and aircraft production centers.

Similar propagandizing broadcasts are now being planned on C.I.O.'s pet project, guaranteed annual wages. C.I.O. President Philip Murray went on the air to fire the first big gun in this drive.

One of the largest one-station contracts has been signed by the Hollywood Conference of Studio Unions (A.F.L.). C.S.U. has bought time (reportedly for \$26,000 annually) to sponsor a nightly 15-minute news commentary by Sam Balter over Hollywood (Calif.) station KFWB.

Another recent time allotment put the United Rubber Workers of America (C.I.O.) on the air for a 13-week series of programs over WHK, which covers the Akron area. Generally, the situation is the same in other union centers; time can be bought, if not on major stations, then on smaller, less expensive ones.

• **Free Network Time**—Improving labor-radio relationships date from announcement, late in 1944, that networks had agreed to give sustaining (free) time during 1945 for weekly broadcasts by the American Federation of Labor and the Congress of Industrial Organizations. Under the arrangement, the unions alternate by quarter-years in planning, writing, and staging weekly 15-minute programs (BW—Nov. 4 '44, p106).

During the first two quarters of 1945 these were broadcast over 105 stations of the Columbia Broadcasting System, 130 of the American Broadcasting Co., and 131 of the National Broadcasting Co. Cooperation was mutual—unions dodged carefully all one-sided, controversial issues; networks were tolerant in interpreting the National Assn. of Broadcasters' code which in the past has led to many labor-radio controversies. Blue penciling of scripts did not interfere with a single one of the first 39 broadcasts.

• **Contrast**—This situation is far different from labor's first broadcasting attempt—started in April, 1942 and discontinued just before the 1944 election—when only 44 of NBC's 150 stations could be persuaded to carry a weekly program, and broadcasts resulted in squabbles between unions and NBC and between A.F.L. and C.I.O. as well.

Principal complaints of radio stations in that unsuccessful series over NBC were the controversial nature of the subject matter and the lack of interest of the programs from a listener standpoint. The first of these labor is now avoiding by a change in policy—it is not seeking

U.S. Comics Foiled Plot to Kill Gen. Eisenhower

Nazis Assassins Got as Far as Liege but They Didn't Know About Jiggs and Maggie.

Paris, May 18 (A. P.).—Who is the Voice? Who is Pruneface? Who sleeps with Jiggs? It was questions such as these that broke up the plot of Lieut.-Col. Otto Skorzeny, the captured German leader of a band of kidnapers and assassins, to kill Gen. Eisenhower last winter.

Today for the first time the story can be told.

The 6-foot 4-inch man Skorzeny

After weeks of training by the SS, the men were weeded down to a battalion headed by Skorzeny, who was appointed by personal orders of Hitler and Himmler.

Special small groups in American uniforms were sent deep into rear areas with missions to commit major sabotage and assassinate key American generals. Skorzeny himself was believed to have been elected to kill Eisenhower. Capture and rigid questioning of some of these men disclosed the general plan to the



THE ARMY KNOWS!

"WHO SLEEPS WITH JIGGS?" Because practically any American could give the correct countersign to that ALL-American "password," Army Intelligence officers used it recently to trap some Nazis disguised as U.S. soldiers.

That "Jiggs and Maggie" (front page feature of Puck-The Comic Weekly, distributed through 15 great Sunday newspapers) were singled out for this distinguished bit of service is very gratifying.

But in fairness to those other American celebrities who fill the pages of Puck with their wit and wisdom, laughter and adventure, any of them could have served as well.

Army Intelligence could have equally relied on real Americans to link "Blondie" with "Dagwood," spinach with "Popeye," and "Hans and Fritz" with "The Katzenjammers." Any

American, too, would "know" that it was "Flash Gordon" and no Nazi who developed the rocket gun to its most devastating perfection! They are the all-star cast—and The Comic Weekly is the only national publication of its kind.

The news story published in The New York Sun, reproduced in part above, provides the evidence needed that Puck's all-star cast provides a "password" that admits smart advertisers into the homes and hearts of over 6,500,000 families throughout the United States every week.



THE COMIC WEEKLY

959 Eighth Avenue, New York 19, New York, or
Hearst Building, Chicago 6, Illinois

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1945

Low Weight . . . Compactness for your *New* PRODUCT

WITH A *Lamb Electric* MOTOR

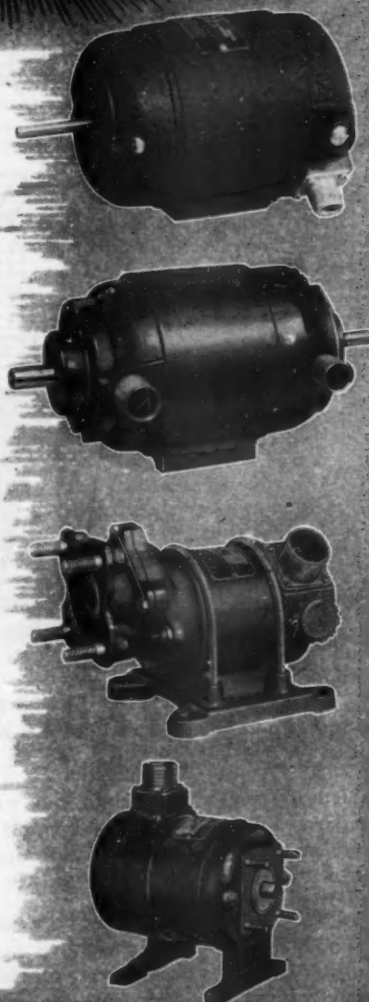
● Over 30 years' experience designing and building fractional horsepower motors for all types of special applications has taught us where and how much motor weight can be reduced without interfering with essential electrical characteristics. Our knowledge of products gained by close cooperation with many types of manufacturers frequently enables us to make design suggestions that reduce product weight, as well as improve compactness. It is best to discuss the motor while your products are in the early stages of development.



THOROUGH ENGINEERING

is the basic factor behind the successful operation of the special application motors shown here, and many others we have designed and built for all types of equipment.

THE LAMB ELECTRIC COMPANY
KENT, OHIO



Lamb Electric
Black & Decker Electric
FORMERLY
SPECIAL APPLICATION FRACTIONAL HORSEPOWER MOTORS

to win workers to union membership, but rather to create a more favorable public opinion on labor and labor issues. With an eye on the second failure of the past, labor has turned to use of music, drama, and a more deft touch generally.

The result is that the new programs have begun to click with the listeners. No Hooper rating checkup has been made but mail response—1,000 letters a week on an average to NBC alone—is considered highly satisfactory.

● **Independents, Too**—Independent stations have fallen into line, giving increased prominence to labor. Station WMCA, New York, airs a weekly forum program presented by the New York Newspaper Guild (C.I.O.), presenting such topics as "Should Wages Go Up in Wartime?" WMCA also has retained J. Raymond Walsh, former C.I.O. research director, as a news commentator. Walsh still is considered to speak with authority for top C.I.O. leadership.

In addition, at least one commercial program now is slanted toward labor. The Electronic Corp. of America sponsors William Gailmor, labor-indorsed commentator, over the American Broadcasting Co.

Unique in its approach to labor relations is another WMCA program. "Labor Arbitration," on which Samuel R. Zack, labor relations consultant, and labor and management representatives form a panel to consider on the air one actual arbitration case each week. A number of New York unions and employers have agreed in their contracts to accept the decisions as binding.

● **Management Voice Aired**—Another indication that the labor programs are gaining ground is the fact that industrial groups now want to express over the air management's attitude on current labor issues.

The Committee for Economic Development, New York, representing 70,000 private employers, will begin on Aug. 11 a 52-week series of broadcasts over the American Broadcasting Co. (Saturdays, 7 p.m. to 7:15 p.m., E.W.T., immediately following the labor series). Question and answer format will be used to explain C.E.D. national policies on important issues. Labor representatives will participate.

C.E.D. also has released for local placement (by 2,800 local C.E.D. groups) the first six quarter-hour disc programs, "Creating New Jobs," with the same objective.

Local management groups also have gone on the air. The Industrial Relations Council of Metropolitan Boston has a weekly broadcast over WEEI giving management's stand on such subjects as "The Future of White Collar Workers." An industrial group in Chi-

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Mr. Friendly and the man who was afraid to go home!

"What's the matter around here," spluttered Mr. Ketchum. "You're the first one to go to this length, but why doesn't anybody want to go home!"

"Please, Mr. Ketchum, please," shivered Butch Blackburn. "Last week Bud Smith stepped off the curb in front of a truck. Think of all the terrible things that can happen off the job. I might get hit by a bus . . . or fall down a manhole. How would I pay doctor bills? What would happen to my family?"

Just then, Mr. Friendly, the American Mutual Man, popped in.

"This plant needs fumigating bad," said Mr. Friendly. "It's filled full up with fear."

"How the heck you going to fumigate

fear?" asked Mr. Ketchum.

"By an odd coincidence," went on Mr. Friendly, "I have here in my pocket an American Mutual and Affiliate's Group Accident and Health Plan. It takes care of doctor bills for any accident off the job. Of course, I'm not asking you to sign but . . ."

"Just the thing!" exclaimed Mr. Ketchum, fairly tearing the Plan from Mr. Friendly's hand. And he did tear his pocket getting out a fountain pen.

"Oh boy!" Butch shouted. "Now I can go home!"

And he disappeared in a cloud of dust. "Funny thing," smiled Mr. Friendly as he put the signed Plan into his pocket, "but they all do that when they don't

have to worry about paying doctor bills and taking care of their families in case of off-the-job accidents. Why, in a day or so you'll see morale around here humming like a hive of love-sick honey-bees!"

FREE! . . . Maybe your plant needs "fear fumigation." Get the folder that tells about the American Mutual and Affiliate's Group Accident and Health Plan. Takes only ten minutes to read! For your free copy, write Dept. B-15, American Mutual Liability Insurance Company, 142 Berkeley Street, Boston 16, Massachusetts.



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● Force measuring and weighing apparatus has taken day-and-night punishment in this war. Even the best of the war-made equipment will not give prewar performance, in durability and continued accuracy.

Yet invisible losses due to inaccurate controls can seriously affect costs, quality standards and profits.

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- with this new, handy manual

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cago sponsors a similar program there.

● **Bone of Contention**—Main point at issue today between radio and labor seems to be the old one of news commentators. The C.I.O. News, weekly newspaper of the union, recently reported that during the preelection period of Sept. 17 to Nov. 5, 1944, six network commentaries were unfavorable to labor for every one that was favorable.

C.I.O. could have let sleeping dogs lie, but chose not to do so. Instead it needled the networks by charging that 70% of labor references on NBC during the 1944 period were antilabor, 61% on the old Blue Network, 50% on Columbia. Mutual, C.I.O. said, was just under the NBC figure.

Union monitoring is continuing on a national scale and, through local union committees, on hometown stations. Principal targets for complaints are Upton Close, Fulton Lewis, Jr., Henry Taylor, Morgan Beatty, Ray Henlo, and H. R. Baukhage. Generally labor lists as friendly Drew Pearson, Raymond Swing, Walter Winchell, Cecil Brown, William Gailmor, Warren Sweeney, Arthur Hale, and Gabriel Heatter.

● **Special Departments**—Labor's increased interest in radio has led to establishment of special radio departments in A.F.L. and C.I.O., and in many of their affiliates. U.A.W. has retained Allen Saylor, formerly of the Federal Communications Commission, to direct its work.

Similar steps are being taken in other unions, and committees are being set up all the way down to the local level. Guidance in radio relations—based on P.A.C.'s 1944 Radio Handbook—is being given to committees and "platter" recordings of labor broadcasts, or scripts, are made available to them, along with promotional material calling attention to national broadcasts.

Ostensibly this work is aimed at the time when labor radio programs will be expanded. Frank E. Mullen, NBC vice-president, has indicated a desire on the part of his network to do that. Other nets show similar interest in expanded programs—if they can be made sufficiently appealing, continue reasonably noncontroversial.

● **Union-Owned Stations?**—For the long pull, labor's interest is not principally in networks and standard band local stations. It would like its own stations. With frequency modulation opening new low-cost broadcasting vistas, labor is planning to open up shop for itself on FM airwaves (BW—Dec. 9'44, p102). The United Electrical, Radio & Machine Workers (C.I.O.) and U.A.W. are well out in front of the field with this project; their plans already have been filed, with FM license applications, in Washington offices of FCC.

Akron Beachhead

Navy intervention in the Goodyear stoppage delays test of NWLB's new weapon—revocation of fringe benefits.

This week the National War Labor Board, pinned down by the hard fact that while government seizure may end most strikes it settles few disputes, unveiled a new weapon. Stubborn strikers at the Goodyear Tire & Rubber Co. in Akron, participants in the nation's most critical work stoppage since V-E Day, were notified that shift premiums and vacation pay, awarded them by the board last April, were to be suspended. It looked as though NWLB was really trying to get tough.

• **Adequate Test Delayed**—But because of the overriding interests of another government agency, NWLB's new weapon was fated not to have an adequate test. For even as the economic sanctions against the rubber strikers were being announced, the Navy was preparing to seize the Goodyear properties. Hence, how effective the board's new club might be in a less critical situation remains for the future to tell.

In the past, NWLB has penalized undisciplined union conduct by revoking maintenance-of-membership awards. The idea that what it gives it can take away has been well established. But never before had it attempted to put this idea in dollar-and-cents terms, assessed as costs against employees engaged in a walkout.

• **Issues Often Unsettled**—It made this avowedly desperate effort in the Goodyear strike for one overwhelming reason. It has become clear that an increasing amount of labor trouble looms ahead. Unless a device to end strikes is found to replace the prevailing pattern of seizing plants, a vast section of American industry will be operated by the government before the war in the Pacific ends.

More cogently, when government stewardship ends, the issues often still remain, and federal withdrawal can be the signal for a resumption of hostilities. The wider the area of government plant operation, the greater the possibility that the postwar labor front will be fatally anarchic.

• **Many Workers Idle**—Thus NWLB was prepared to try hitherto unused sanctions in order to force settlement of the Goodyear strike. It also had a further incentive.

Akron this week, save for the comparatively small Seiberling plant at work with 1,500 employees, was a completely



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PHOTOGRAPHY

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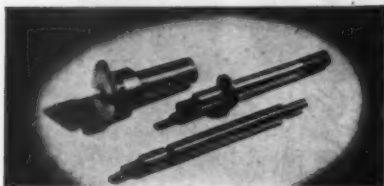
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nonproductive industrial center. The Goodyear strike had been followed by a walkout at Firestone. Together these disputes over wages and a long list of other demands (BW-Jun.30'45,p99) had made 33,300 idle. NWLB delays in handling previous rubber labor cases were themselves an issue in the strikes. Firestone workers, after satisfying the requirements of the Connally-Smith act by voting almost six to one to walk out, voted just as overwhelmingly against submitting points in dispute to the board. And three of the city's other tire and tube companies—B. F. Goodrich, General, and Mohawk—were closed down, with WPB approval, for necessary repair and maintenance work. There was some question as to whether, when the plants were ready to resume production again, workers who are members of C.I.O.'s United Rubber Workers would appear.

• **Workers Wanted Seizure**—Meanwhile the supply of military tires and tubes, airplane fuel cells, rubber tracks and bogey wheels for tanks, and other essential rubber war products had fallen to a dangerous low.

The Goodyear strikers will proclaim plant seizure a victory. Their leaders, defying U.R.W.'s national officers who refused to aid them because of the union's no-strike pledge, have been calling for exactly such government action.

N.F.S.U. WINS C.I.O. TILT

Success in its first major test of strength against C.I.O. has spurred the plans of Leo F. Bollens' independent National Federation of Salaried Unions (BW-May19'45,p106) for wide expansion nationally among white-collar workers in industrial plants.

Only about 850 persons were involved when the N.F.S.U.'s affiliated Assn. of Aluminum Salaried Employees and an office workers' local of the United Steelworkers of America (C.I.O.) clashed for jurisdiction at the New Kensington (Pa.) works of the Aluminum Co. of America. Minor nature of the election—in terms of the number involved—was belied by the intensive campaigning by both unions.

C.I.O., hoping to squash the threat of Bollens' budding union plans, went all out, buying full-page newspaper advertisements and spreading pamphlets, handbills, and other literature. C.I.O. production workers in the Alcoa plant were called into the fight. The independent union countered with a deluge of its literature. Results for C.I.O. were poor repayment for the effort.

N.F.S.U. won jurisdiction over office and clerical employees (324 votes to 204 for C.I.O., 60 for no union); research machinists (14 votes to 2 each for C.I.O.



TRACK TRAINING

Muscles, pay, and play in exchange for maintaining its right of way are being offered again as a summer program for high school athletes by Pere Marquette Railroad, still with a manpower problem. Pointing out that swinging a pick or sledge is fine athletic training, Marquette, and other roads which have tried the plan, "vacationed" contingents of athletes last summer. Coaches came along as counsellors and timekeepers. The teams slept in converted boxcars, were provided study projects and recreation

and no union); and technical employees (71 votes to 26 for C.I.O. and 10 for no union).

Professional employees rejected unionization (45 votes for no union, 10 for the N.F.S.U., none for C.I.O.). Plant protection employees will vote in a run-off election; C.I.O. led by three votes (38 to 35 for no union and 13 for N.F.S.U.) but failed to win a majority of the over-all vote.

CONTRACT BARS M. OF M.

Maintenance of membership cannot be awarded by an arbitrator to a union which has a contract giving management exclusive right to hire and fire employees, a California District Court of Appeal has decided in a case involving the Consolidated Vultee Aircraft Corp. and the United Auto Workers (C.I.O.).

U.A.W. held that the arbitrator's award of m. of m.—which would require the company to discharge an employee who fails to keep up union membership—merely incorporated into the existing contract a clause considered desirable under general (National War Labor Board) policy today, and that

Investigate

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Pollak has ample equipment in these specialized departments for coordinated operations

to turn out complete products and assemblies.

Pollak also has engineering and research facilities for designing and building complete products preparatory for production, *when our plants are released from war work.*

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FACILITY NO. 2

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in no way restricted hiring and firing, as contended by the company.

A lower court agreed, but the appellate court refused to order enforcement of the award, declaring that "if the company has to discharge one member because of his failure to maintain union membership, then the clause would have operated contrary to the spirit of the original contract."

Stopgap Formula

C.I.O. maintenance union and A.F.L. building trades group agree to joint committees for adjusting Detroit disputes.

Reconversion construction work in Detroit auto factories, halted by an outbreak of jurisdictional strikes in mid-June (BW—Jun.23'45,p104), was resumed this week by a stopgap formula developed by the U. S. Dept. of Labor. • **Joint Action Planned**—Conflicting ultimatums of the C.I.O. United Auto Workers and the A.F.L. Building Trades Council were withdrawn. It was agreed that joint committees representing both sides will be set up to adjust conflicts wherever they may arise.

Should the committees prove unable to settle disputes, a national committee headed by an impartial chairman will take jurisdiction. Its decisions will be final.

• **Old Formula**—On the face of the affair, several factors are working against

the effectiveness of this plan. The formula is merely a restatement of the impartial arbitrator principle, which was not entirely effective during the war, and which was finally abandoned last year, apparently by desire of both sides.

Beyond that is the fact that the militant membership of the U.A.W. Maintenance, Construction & Powerhouse Council is divided within itself on policy and may not go along in the separate plants with the decisions of its officers and the international auto union board.

• **Variance in Wages**—Unsettled also is the pay differential issue which whetted arguments between the two groups. U.A.W. plant maintenance men say they receive from 35¢ to 65¢ per hour less than A.F.L. contractor crews on identical work. The entire wave of Detroit walkouts of auto union men was underlaid by dissatisfaction over these pay differentials, and the peace formula did not touch on this issue.

REFINERY TAKEN OVER

Acting speedily against a small strike which threatened production of aviation gasoline, President Truman used his wartime seizure powers again (BW—Jun.23'45,p17) last week end, ordering the Petroleum Administration for War to take over the Texas Co.'s big Port Arthur (Tex.) refinery. Seizure climaxed a dispute in which 250 Negro employees quit work, charging pay discrimination. The refinery—which has a contract with the C.I.O. Oil Workers Union—employs about 5,000 persons.

Ill-Advised Advice

Labor Relations Institute's assistance to company brings a complaint from union, which is sustained by the NLRB.

Labor feels free to call upon any one of a number of firms which specialize in assisting unions in collective bargaining. It looks with suspicion, however, upon any similar use by management of the advisory services which specialize in handling its side of labor relations disputes.

• **Union's Charges Stick**—In the past, these management advisory services have remained adroitly out of reach of union attacks. Recently, however, one—the Labor Relations Institute, New York—apparently lowered its guard momentarily. As a result, a United Construction Workers (Ind.) local union succeeded in making unfair labor practice charges against it stick in hearings before the National Labor Relations Board.

The labor relations firm was declared jointly responsible with the National Lime & Stone Co., Carey, Ohio, for unfair labor practices during an organizational campaign by the U.C.W. NLRB issued cease and desist orders against further interference. Although U.C.W. lost one election at National by eight votes, the way is now cleared for another.

• **"Management-Engineering"**—When it first faced unionization of its employees, National Lime called upon the institute to study the company labor situation and to recommend improvements which might lead to better worker-management relationship. The job—described by the institute as routine "management-engineering"—necessitated getting directly from National employees their grievances and suggestions.

A meeting was called, and during a one-hour session such issues as better toilet facilities, ventilation, roof leaks, etc., were discussed. U.C.W., however, said other topics were introduced. It was quick to seize upon what it said were remarks made by an institute representative to encourage formation of a company union in the National plant, and to discourage joining the U.C.W. It based its charges upon these remarks.

• **Institute Protests**—The labor relations organization denied that the remarks were made and protested that U.C.W.—which filed charges against the institute three months after it brought unfair labor practice charges against National Lime—was attempting to get

What's Happening to the Cost of Living

	Food	Clothing	Rent	Fuel, Ice, & Electricity	House Furnishings	Misc.	Total Cost of Living
August, 1939	93.5	100.3	104.3	97.5	100.6	100.4	98.6
January, 1941*	97.8	100.7	105.0	100.8	100.1	101.9	100.8
May	102.1	102.8	105.7	101.1	103.2	102.5	102.9
May, 1942	121.6	126.2	109.9	104.9	122.2	110.9	116.0
May, 1943	143.0	127.9	108.0	107.6	125.1	115.3	125.1
May, 1944	135.5	137.4	108.1	109.8	135.0	121.3	125.1
June	135.7	138.0	108.1	109.6	138.4	121.7	125.4
July	137.4	138.3	108.2	109.7	138.7	122.0	126.1
August	137.7	139.4	108.2	109.8	139.3	122.3	126.4
September	137.0	141.4	108.2	109.8	140.7	122.4	126.5
October	136.4	141.9	108.2	109.8	141.4	122.8	126.5
November	136.5	142.1	108.2	109.9	141.7	122.9	126.6
December	137.4	142.8	108.3	109.4	143.0	123.1	127.0
January, 1945	137.3	143.0	108.3	109.7	143.6	123.3	127.1
February	136.5	143.3	108.3	110.0	144.0	123.4	126.9
March	135.9	143.7	108.3	110.0	144.5	123.6	126.8
April	136.6	144.0	108.3	109.8	144.7	123.7	127.1
May	138.8	144.4	108.3	110.0	144.9	123.8	128.0

* Base month of NWLB's "Little Steel" formula.

Data: U. S. Bureau of Labor Statistics; 1935-39 = 100.

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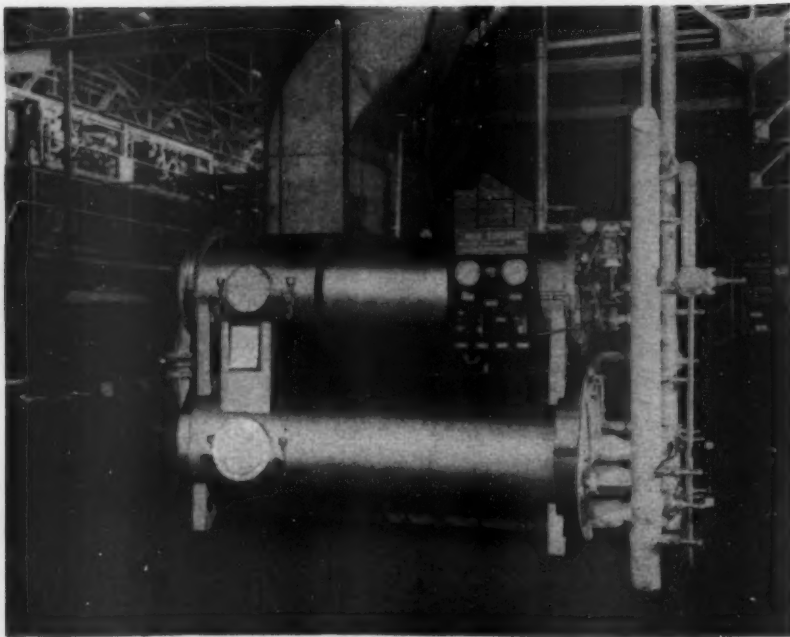
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L.R.I. barred from the company plants and to discredit it with labor. In five years, it had handled the affairs of 1,500 clients and negotiated an average of 500 contracts annually without labor friction, the institute said.

NLRB upheld the union charges, but it did not go so far as its trial examiner in the case and order the institute to stop engaging in unfair labor practices with clients other than National Lime.

• **Board's View**—NLRB said that the institute's "record does not disclose that the institute has the general policy of engaging in unfair labor practices in its relations with its clients. We shall not ... order the institute to cease and desist from engaging in unfair labor practices in the interest of any employer other than National."

The decision gave new indications of NLRB's interpretation of what constitutes an unfair labor practice. Aside from routine points, it made clear (1) that sudden improvements in working conditions during an organization drive, or anything that upsets the status quo of labor-management relations at the time, will be scrutinized closely, and (2) that management may not make use of labor relations advisory services to influence workers against joining unions.

UNION AID ISSUE CLARIFIED

The National Labor Relations Board, frowning for ten years on inside-or company-unions, has been strict in enforcing a Wagner (National Labor Relations) act ban against employers' "contribution of financial or other support" to labor organizations. But until recently the board had given employers little guidance on just what constitutes unfair payments.

Union representatives have been able—with National War Labor Board aid—to claim wage payment for attending meetings during working hours and on their own time, not only for negotiating with management but also for union duties not immediately concerning management. The employer has had to help pay for routine union business.

In similar circumstances, where an inside employee organization has been involved, this has been judged to be undue influence.

A clear-cut test of the issue may not be far off. NLRB has ruled—in cases involving Remington Arms, Inc., and the Wyman-Gordon Co.—that employers legally may pay union representatives only for time spent meeting with management, during working hours of the representatives, to negotiate matters which affect the employees generally—that is, such things as wages, welfare, and safety. Remington had been following this policy.

THE WAR AND BUSINESS ABROAD

BUSINESS WEEK

JULY 7, 1945



The stage is rapidly being set for an Allied landing at some point along China's so-called "invasion coast," the stretch of Chungking's Pacific seaboard from which Japanese troops have been driven by Chinese guerrillas during the last two months (map, page 114).

Both Wenchow and Foochow could handle small supply ships.

Wenchow is closer to rail lines which the Allies would like to use to rush supplies to Chinese guerrillas, and to Shanghai—ultimately a major goal in any drive to dislodge the Nipponese from the Asiatic mainland.

Foochow has a better harbor and would provide air bases much closer to Formosa, which must be completely blockaded and neutralized.

But either port, since they can be occupied without fighting, should be able very quickly to handle a large volume of supplies both to arm the Chinese who are fighting Japanese troops south of the Yangtze, and to mount an air and naval campaign to help dislodge the Japanese both to the north and south.

Don't miss the double play now developing against Tokyo.

Alarmed at Moscow's summer war maneuvers along the Manchurian border, and the continuing flow of supplies to the great Soviet bases at Chita, Khabarovsk, Komsomolsk, and Vladivostok, the Japanese are believed to have withdrawn garrisons from southern China to reinforce the 1,000,000 crack troops already guarding Tokyo's vast war factories in Manchuria.

Whatever move the U.S.S.R. ultimately contemplates, the present war of nerves is having the desired effect on Japan—and Allied drives in southeastern Asia will meet dwindling opposition.

The rapid collapse of Nipponese resistance in Borneo (BW—Jun.30'45, p110) can be expected to be repeated as Tokyo pulls men and supplies northward for the final inner fortress showdown. The Allies will press the advantage to assure a large Asiatic oil supply for the all-out campaign against Tokyo (BW—Mar.17'45,p112).

Russia's strategy in the Far East is beginning to unfold in unmistakable terms.

Immediate Soviet interest is in Manchuria (where Russia had—and wants again—the right-of-way to a warm-water port), Korea (where Moscow seeks a further safe flank for vulnerable Vladivostok and the Maritime Province), and in Sakhalin Island (the southern, oil-rich half of which the Russians intend to recover from Japan).

To block further Russian ambitions, China's premier, T. V. Soong, is now in Moscow attempting to uncover what diplomatic demands the Russians insist upon before promising to abandon further claims which might impinge on Chinese territory along the Soviet border.

Minimum Soviet demand almost certainly will be creation of an effective coalition government which would include the Yen-an Communists.

Despite recent promises from Chiang Kai-shek to allow Communist representation in Chungking councils, the Central government and the Communists are farther apart now than at any time in several years.

However, the example of the compromise Polish government (along lines originally demanded by Moscow) has frightened even Chiang Kai-shek.

The fact that Chiang and Soong dislike each other is of no consequence at the moment; Chiang is in a difficult spot, is losing Allied favor, sees the

THE WAR AND BUSINESS ABROAD (Continued)

BUSINESS WEEK
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possibility of being squeezed completely out of the picture when Allied troops land along the coast unless he meets the demands of the Big Three.

As a result, Chiang is likely to make at least a pretense at meeting almost any demand Soong brings from Moscow.

Face-saver for the Generalissimo presumably will be a Russian guarantee to observe China's territorial integrity.

Almost certainly this would not include a guarantee for Manchuria or Korea unless semi-independent governments, completely friendly to Moscow, are set up there.

A newly signed Swedish-Polish trade agreement should not be overlooked, for it almost certainly sets a pattern for the revival of trade between western Europe and the Soviet-dominated states in the East.

In exchange for 1,000,000 tons of Polish coal and 200,000 tons of coke, Sweden agrees to supply the Poles with rehabilitation machinery, railroad rolling stock, telephone equipment, and pit props for the mines.

Argentine-U. S. diplomatic relations are headed for a showdown.

Will Clayton, State Dept. assistant secretary, provided the tipoff when he bluntly declared that Argentina has failed to eliminate a single one of the 108 Nazi spearheads in Argentina, despite the country's solemn agreement before being admitted to the Chapultepec conference that it would eradicate Axis subversive activities.

In a second warning, Washington recently removed from the foreign trade blacklist the names of nearly 375 businesses in Chile, 150 in Colombia, 90 in Venezuela and Peru, 125 in Brazil—but not one in Argentina.

Latin neighbors are pressing Washington for realistic handling of the Argentine issue.

Brazil, when it heard of the deal Washington had made to provide Argentina with petroleum products in return for linseed and vegetable oils (BW—Jun. 16'45, p113), protested so vigorously that Ambassador Adolph Berle had to rush to Washington to see what could be done to compensate the oil-starved Brazilians.

Note for automobile exporters, briefed from a current survey by the American Automobile (Overseas Edition):

More than one-half the world's motor vehicles are eight years old or older; the average would be ten years or more if the U. S. and Canada are excluded.

More than 25% of the world's automobiles have vanished during the war—some 3,500,000 vehicles in the U. S. and 7,750,000 in other countries.

Don't be surprised if President Truman announces very soon a plan for important coal shipments to Europe.

Alarmed by increasing political tensions in every capital in western Europe, advisers have warned that some relief must be provided before winter or the lid may blow off—in France, Belgium, and even Holland.

Russia has apparently agreed to provide both fuel and food, but supplies almost certainly will be small.

U. S. coal shipments, though they cannot be large, will almost certainly mean a sharp contraction of home supplies for civilians next winter.

Sterling Bloc Cuts U. S. Exports

American manufacturers—frustrated in planning peacetime trade—put pressure on Washington for relief as British extend the sterling area. Long-term loan to England may solve problem.

Increasingly shrill complaints by American exporters that British currency controls are shutting out U. S. goods from many foreign markets have finally compelled foreign trade organizations to put concerted pressure on Washington to remedy the situation.

For the moment, the Middle East and India are the areas in which U. S. business finds itself most frustrated in making plans for peacetime trade. In terms of dollar volume, no great losses have been suffered as yet. But current difficulties indicate that, failing an early relaxation of the sterling bloc system, the U. S. will be unable to capitalize on the goodwill built up through lend-lease shipments and will shortly find British traders firmly entrenched in many markets that are now eager to buy American products.

• **Changes With War**—Basically the difficulties being encountered by U. S. exporters in the Middle East and India arise out of the use the British are now making of the sterling area. Before the war this currency area was simply a mechanism through which Empire countries (except Canada) and a number of other nations maintained stable currencies by keeping them pegged to sterling and maintaining their foreign exchange reserves in London.

But, with the outbreak of war in 1939, the sterling area was gradually converted into a frankly discriminatory system through which Britain has accumulated the free currencies (most importantly, dollars) which it required to enhance its war effort.

• **The Agreement**—Broadly speaking the member countries agree (1) to accept payment for their exports to Britain in blocked sterling (balances which cannot be converted into dollars or other free currencies); (2) to turn over to London all the free currencies they obtain from sales to nonsterling area countries and to take sterling in return, except for a minimum allotment of free currencies to fill their basic needs. The sterling can be used freely, of course, within the sterling area.

In nominally independent countries of the Middle East, such as Egypt, Palestine, and Iraq, there are plentiful supplies of sterling (arising largely from British war expenditures) and very few dollars. Since the sterling cannot be converted into dollars, the result is that the local governments compel their

merchants to buy chiefly from Britain and permit purchases from the U. S. only when British supplies cannot be obtained.

• **Two Lists**—The normal procedure is for the government to have a long list of goods obtainable from Britain and the sterling area—many of them without import permits—and a second short list of goods obtainable from the U. S.—some of them restricted by the necessity of acquiring permits for their importation.

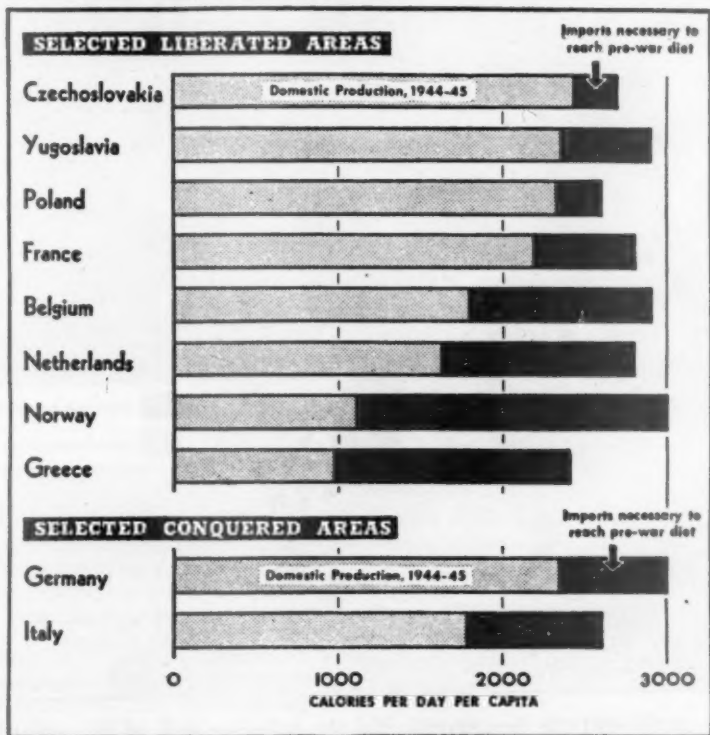
Important commodities which the U. S. finds it almost impossible to sell in the Middle East include steel and metals of all kinds, certain types of tractors, hardware, and pharmaceuticals.

It is true that by the terms of an Anglo-Egyptian financial agreement signed early this year the British Treasury allotted Egypt some £15,000,000 (approximately \$60,000,000) in free currencies for the year 1945, but this is far below the sum Egypt would like to spend in the U. S. and other nonsterling area countries for current needs.

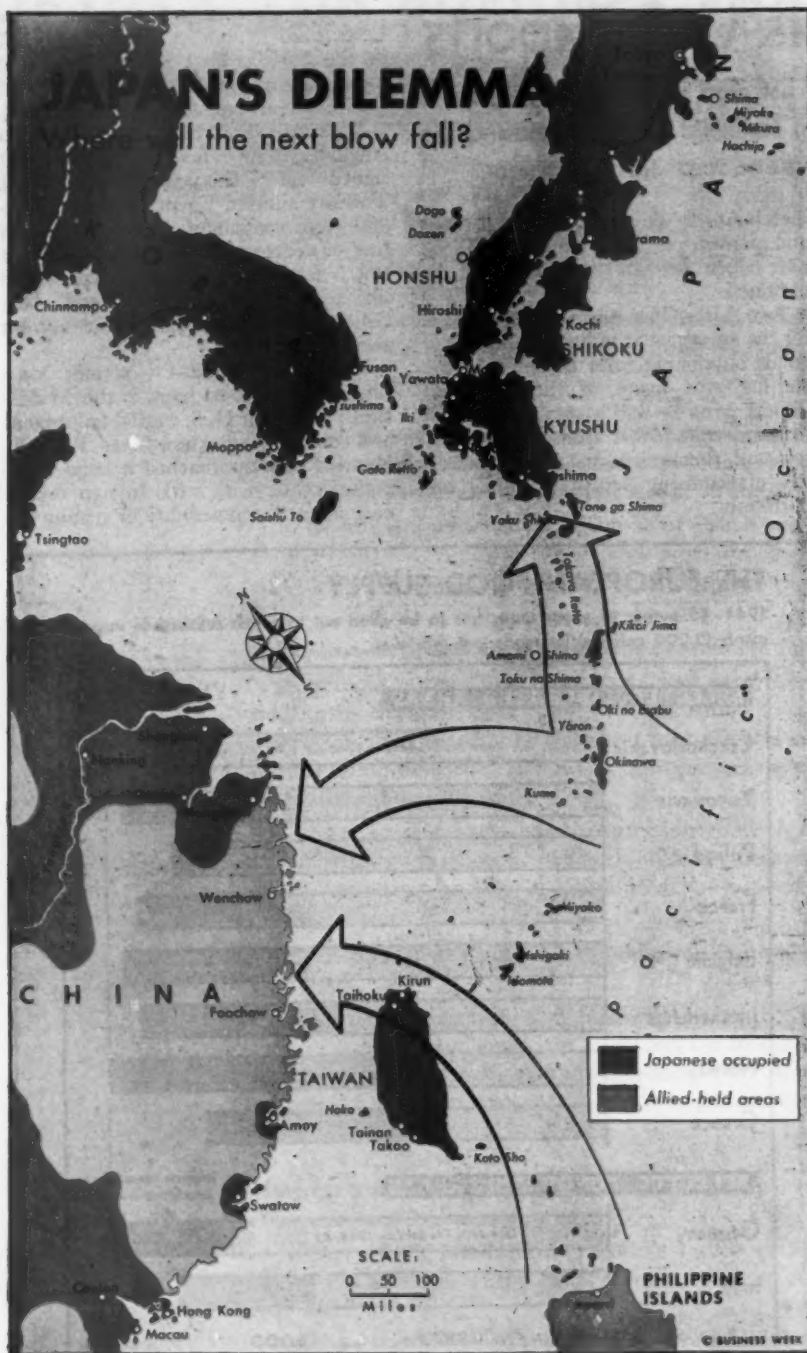
• **Backing Required**—Of greater long-run importance, perhaps, is the Middle East's desire for U. S. capital equipment and engineering know-how. Recently Henry Kaiser approached a large U. S. manufacturer with wide foreign experience about the possibility of getting the

THE EUROPEAN FOOD SUPPLY

1944-45 output of many areas has to be eked out to reach subsistence requirements (2,000 calories) let alone pre-war diet.



Most of Europe will be unable to supply its minimum food needs this year. (Denmark, a surplus area, is not included in the chart, which is from the Vinson report—page 15.) No nation, least of all an enemy nation, stands much chance of importing food to reach prewar standards. Some will get what food the U. S. can spare to prevent "disease and unrest." But the needy nations, with their own cash (western Europe) or through the United Nations Relief & Rehabilitation Administration (eastern Europe), will be able to draw on the surpluses of Canada, Australia, Latin America, and French and Belgian colonies.



Tokyo could read the handwriting on the tottering wall of its embattled empire this week. Chinese forces, fresh and efficient, were creeping along what has become known as the "invasion coast" past Wenchow toward Hangchow. American naval units had ventured into the Sea of Okhotsk (north and west of Japan) to harry enemy shipping. Gen. Douglas MacArthur's troops had mopped up Luzon, northernmost Philippine island and likeliest takeoff and supply base for an invasion of China. Marines had driven the last resisting Japanese into the sea from the cliffs of Okinawa. From recently captured Okinawa and Iwo islands, fleets of bombers battered strategic targets from Sasebo to Tokyo. In the air, on the sea, and on land that is critically close to Japan, mounting Allied forces prepared for the next move.

contract for the Aswan Dam project. He was advised that he didn't have a chance unless he could get backing from the highest Washington circles for a U. S.-financed, Kaiser-built project—and unless Washington could successfully talk London into allowing American interests to get a foothold in a traditionally British economic preserve.

In India—potentially a vast market for many lines of American consumer and capital goods—a similar situation exists with respect to present sales and long-term development projects. India has a plethora of sterling—more than £1,000,000,000 (\$4,000,000,000)—but this is blocked and may remain so for some time to come.

Moreover, India receives only a part of the dollars accruing from its export surplus to the U. S., consisting of a minimum for its current requirements of American goods and \$20,000,000 a year during 1944 and 1945 which is earmarked for postwar use. This means that India's imports, too, must come largely from Britain and other sterling area countries.

• **Joint Enterprise**—From the long-run point of view, the situation in India is not very clear. On the one hand, Indian businessmen have come to the U. S. expressing keen interest in American equipment for hydroelectric developments only to write later from India that their plans are being blocked.

More encouraging is the fact that several large American firms are now negotiating deals with Indian business leaders for two types of joint enterprise: (1) companies formed with Indian capital which are to manufacture American products through special assembly agreements; (2) all-Indian firms manufacturing U. S. patented or brand items with the U. S. companies taking their profits in the form of royalties.

By currency controls such as those in force in the Middle East and India, Britain during the early war months not only built up a sterling area composed of the Empire, Egypt, Palestine, and Iraq, but also since that time has brought Iran and Turkey, France, the Netherlands, Belgium, and Scandinavia, and several Latin-American nations into a loose globe-girdling sterling bloc system.

• **Big Balances**—Argentina already holds blocked sterling to the tune of more than £75,000,000 (\$300,000,000), which can be used only for purchases of sterling area goods or repatriation of British investments in Argentina.

Brazil's sterling balance totals almost £50,000,000 (\$200,000,000) and Uruguay's almost £15,000,000 (\$60,000,000). The vital question for the U. S. is how long exports from these countries to Britain are going to be paid for

Mind at work



MAKE VICTORY COMPLETE
★
Buy More War Bonds

SOMETHING has clicked in that young head. Some word or phrase has struck a spark and he's off on a lonely tangent of thought all his own.

Be careful — don't disturb him. Something important is going on in that busy little mind. Maybe a little piece of tomorrow is being born.

ASK the engineers where the good, new things come from and you may be surprised to learn that most of the big problems are solved first in people's heads.

The test tubes, the laboratories and the drawing boards come after. Before that, somebody has to get an idea—even as this young fellow has.

Go back, for instance 29 years ago when General Motors engineers were trying to find out what made an engine knock and how to stop that knock.

Their experiments made them think that color in the fuel might be the answer. They tried coloring gasoline red by adding iodine. The knock stopped.

Then they found that a property of the chemical and not color stopped the knock—but adding color started them on the right track. Years of work and thousands of chemical compounds were necessary before Ethyl gasoline was perfected.

From that came the high compression engine and today's 100-octane fuels which power the

giant air armadas clouding our enemies' skies.

So let the young dream their dreams. Their everlasting quest for the new and better is one of America's greatest guarantees of a finer future.

And you may be sure that, in a world restored to peace, they will find General Motors in the forefront of those who work for more and better things for more people.

GENERAL MOTORS

"VICTORY IS OUR BUSINESS"
CHEVROLET • PONTIAC • OLDSMOBILE
BUICK • CADILLAC • BODY BY FISHER
FRIGIDAIRE • GMC TRUCK AND COACH
GM DIESEL

Every Sunday Afternoon
GENERAL MOTORS SYMPHONY
OF THE AIR—NBC Network



While lend-lease exports were falling well before V-E Day, cash exports were rising gradually to a new post-Pearl Harbor high. These trends will certainly be accentuated in months to come, as foreign trade reconverts to peace. Imports are close to their wartime peaks, and, before reductions in critical material purchases, and declines in inflated prices begin to affect the total, the reopening of Atlantic shipping lanes and the reconquest of Far Eastern areas will lift the level even higher. Though cash exports have been running behind imports, the curves are likely to cross sometime this year, and we shall begin draining the gold and dollar balances other nations have accumulated from us during the war.

in currency which cannot be converted into dollars.

In the case of Peru, Bolivia, and Chile, agreements were reached during the 1940-1942 period whereby the three countries agreed that the sterling proceeds from sales to Britain and other sterling area countries would be employed only for importation from the sterling area.

Since the U. S. has taken most of the wartime exports of this group of Latin-American countries, there has been no great difficulty to date, but continuation of the agreements past V-J Day—when these countries can be expected to export in large volume to Britain—would seriously jeopardize markets in which the U. S. was often paid for its exports in freely convertible sterling.

• **What It Means**—As a result of currency agreements signed with Britain in the past year, France, Belgium, Sweden, and Turkey have become at least temporarily attached to the sterling bloc system. The feature common to these agreements is the provision that if sterling balances are built up they are to be available for payments to third countries "as opportunity offers"—in other words at the discretion of the British Treasury.

While these agreements have not so far seriously interfered with U. S. efforts to sell in Europe, so long as they are in operation—or others like them—their tendency will be to channel purchases toward Britain rather than the U. S. And should the discriminatory currency practices permitted under the Bretton Woods plan for the 3-5 year transition period be interpreted to permit such arrangements, serious damage might well be done to U. S. trade with Europe.

The London Banker has termed the sterling area "an instrument of economic warfare; a battering ram with which to open the door to unwilling markets; a spiked fence of discriminatory devices with which to keep unwanted goods from unwanted sellers out of the Empire market." From the point of view of American traders, this description characterizes not only the sterling area itself but the whole sterling bloc system.

• **Long-Term Credit Plan**—When American businessmen try to find a way out of the impasse, the solution they usually end up with is the extension to Britain of a long-term credit of from 3 to 6 billion dollars. In return for this Britain would be asked to guarantee the immediate relaxation—and early elimina-

tion—of sterling bloc controls throughout the world.

The idea behind this approach is that the credit would make it possible for Britain to close the gap in its postwar balance of payments (the yearly deficit resulting from an excess of imports is expected to be at least \$1,000,000,000 for three years). This, in turn, would permit release of some of the frozen sterling, the funding of the rest on a long-term basis, and the dropping of the sterling area controls now being used to buttress Britain's greatly weakened financial and trading position.

• **Under Discussion**—Until recently Britain appeared to be unwilling to ask for a U. S. credit running into billions. Anglo-American conversations, however, have apparently been going on and the U. S. Treasury disclosed their nature to a closed session of the Senate Banking Committee at the end of last week.

CANADA

Family Dividend

Allowance plan goes into effect next week, but Canada urges savings, not spending for scarce civilian goods.

OTTAWA—Next week Canada begins paying family allowances. At the end of June about 1,300,000 families—about 89% of the 1,467,000 families in Canada with children under 16 years of age—had registered to receive benefits.

• **\$20,000,000 a Month**—Excluding families in the higher income brackets—which have received a tax exemption about equal to the new allowances, and consequently will not increase their income through family payments—the new measure probably will distribute about \$20,000,000 a month in additional revenue to Canadian family budgets.

No precise estimate is available as to how much of this will be poured immediately into the stream of consumer buying. Because of some serious shortages of civilian goods, authorities hope that most of the money will be put in savings accounts. But war plant layoffs and transitional unemployment are showing up and any tendency to save may thus be offset.

• **No Tight Rules**—Normally, family allowances are supposed to be spent on welfare of children, though the authorities say they do not intend to set narrow definitions of proper expenditure. If, for example, a farmer has

paid for repairs to a leaky roof with money derived from family allowance checks, the officials will not intervene. Whatever improves the environment of the family is held to benefit the children.

• **Quebec Receives Most**—A breakdown of estimated annual payments by economic regions follows:

	Millions of Dollars	%
Maritime Provinces...	\$28	11
Quebec	84	33
Ontario	75	29
Prairie Provinces	54	21
British Columbia	15	6

This breakdown varies sharply from one showing total population of all ages. Quebec, largely settled by Catholic French-Canadians, has the largest families, followed by New Brunswick, and Saskatchewan. British Columbia, quite largely settled by older people who have moved to the coast from harsher inland climates, has the lowest number of children per family, with Ontario next.

• **Depression Cushion**—Supporters of the family allowance measure argue that in times of economic depression it will help maintain consumer spending and tend to ease the burden of unemployment and agricultural distress.

For example, payments to the three prairie provinces (\$54,000,000 annually) will substantially exceed the total net farm income of that region in both 1931 and 1932. In prosperous years, of course, such as 1928, the payments of \$54,000,000 would represent more nearly 10% or 12% of the net farm income of that region.

DELAY IN AUTO EXPORTS

Unlike the United States and England (BW—Jun. 23 '45, p111), Canada has as yet made no provision for export of new automobiles. Three Canadian companies have been authorized to make 10,000 cars in the last half of 1945 for sale only in Canada and to high-priority users.

Allocation will be General Motors, 3,870; Chrysler, 3,670; and Ford, 2,460.

The quota reflects prewar domestic sales and does not take into account export sales. Ford had a larger export sale than the others but a lower percentage of the domestic market.

There is still a slim possibility that a small export quota may be allowed for 1945, although it is unlikely that the companies will be able to deliver the authorized 10,000 cars before the end of the year.

Motor car manufacturers are among those who can definitely obtain a better price for exports than at home under existing price ceilings.

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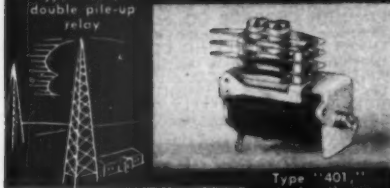
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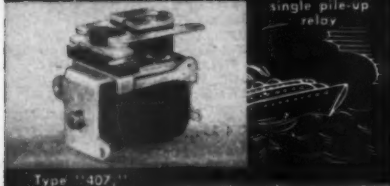
THE COOK SERIES "400" RELAYS
MEET ALL REQUIREMENTS OF
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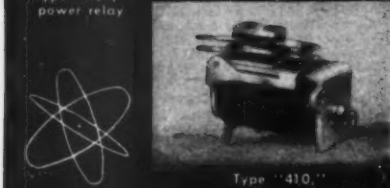
Type "404,"
double pile-up
relay



Type "401,"
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relay



Type "407,"
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Engineering demands for smaller, sturdier, more versatile relays for incorporation into post-war products will be met by Cook Electric Company with a proven line, the "400" series relays. Engineered to exacting specifications, laboratory tested and proven in the field, the "400" series, from single contact—single pile-up, to multiple contact—maximum pile-up, time delay and latching types, will be available for finer, peace-time products. Wartime requirements for relays that would meet these specifications have been designed and are in production now. While production today is limited to high priority orders, if your requirements for tomorrow are for smaller, dependable relays, look to Cook and the "400" series.

COOK ELECTRIC

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THE MARKETS

(FINANCE SECTION—PAGE 50)

The oft-predicted and long overdue stock market shakeout finally materialized with a vengeance late last week. The 1942-45 bull market suffered its greatest setback under the onslaught of the heaviest wave of Big Board selling orders since May, 1940, when the fall of France was causing one of the worst cases of market jitters on record.

• **All Sections of List Hit**—In the two days before the yen to liquidate holdings finally slackened, substantial losses were recorded in all sections of the list. Many gains scored over several weeks' time were quickly washed out. And last Thursday produced the largest turnover (almost 3,000,000 shares) for any single session of the bull market that is now entering its fourth year. In the final trading hour alone about 1,000,000 shares changed hands.

Proving most vulnerable, obviously, were the rails because of their previous steady advance and the overspeculating so noticeable in many of such lower-price issues recently (BW—Jun. 23 '45, p. 118).

• **Other Sufferers**—The rails, however, weren't the only group of shares that suffered severely. Heavy losses were noticeable on Thursday of last week in such varied stocks as United States and Bethlehem Steel, Standard Oil of N. J., Westinghouse, Home-Stake Mining, International Harvester, Chrysler, and Sears Roebuck, to mention but a few. In some instances, losses amounted to more than \$3. Likewise hard hit were the aircraft and air transport groups.

Market experts, as usual, give varied reasons for the break. The more conservative, however, weren't at all surprised, even at its severity. They had long been warning clients that the failure

of the industrial section of the stock list to follow the rails and utilities through their May highs indicated very strongly that the former had reached a point where much selling would have to be successfully absorbed, which they doubted would be the case, if the group was to rise any further.

• **Rallying Tendencies**—The market has succeeded in recovering some part of its recent severe losses. Its recovery efforts, nevertheless, haven't been at all convincing, even to former rampant bulls, since much of the declining trading volume evidenced has been concentrated in the "under \$10" group of utility holding company common stocks.

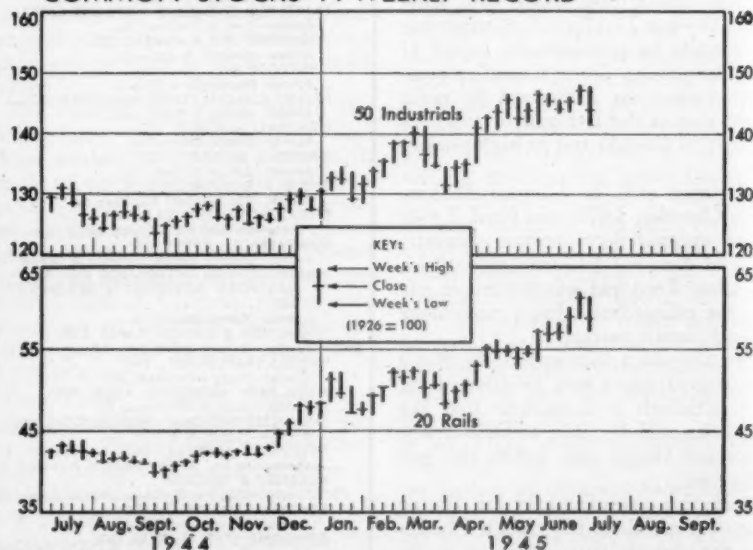
As a result, Wall Street generally wasn't particularly bullish as the Fourth of July interrupted this week's stock market proceedings. Many observers rather look for a further testing of prices and thus are suggesting continued caution. Another reason for their present lack of enthusiasm, however, is the belief that some important news may be emanating from Washington shortly on the question of future margin requirements (page 5).

Security Price Averages

	This Week	Week Ago	Month Ago	Year Ago
Stocks				
Industrial ...	143.8	147.2	145.4	129.5
Railroad	58.7	61.4	56.9	42.5
Utility	72.4	72.7	68.4	55.3
Bonds				
Industrial ...	122.1	122.3	122.3	121.0
Railroad	115.5	115.9	115.3	106.0
Utility	116.7	116.8	116.5	116.3

Data: Standard & Poor's Corp.

COMMON STOCKS—A WEEKLY RECORD



Data: Standard & Poor's Corp.

THE TRADING POST

The Forbidden Word

Business Week learned long ago that one does not refer to San Francisco as Frisco and still retain the respect of citizens of the metropolis by the Golden Gate. Abolition of the hated epithet has not been accomplished by fiat, however. A continuing educational campaign still is in progress.

Not long ago a stranger in those parts was subjected to a blast of vituperations because he spoke the forbidden word in the presence of some Native Sons. He took it like a man, and then decided to try to find just why this word is so objectionable. His report:

Said the Mayor:

The word Frisco is an ugly substitute for a beautiful name. Use S.F. if you must have an abbreviation. But not Frisco.

Replied the Chamber of Commerce:

The old tenderloin district was filled with Frisco Petes and Frisco Sals and their ilk. They were generally unsavory characters. Native San Franciscans resent implications synonymous with Frisco.

A Catholic clergyman:

Shortening of the name San Francisco to Frisco is unbecoming the spirit of reverence in which many natives of San Francisco hold the memory of the saint for which the city was named.

And a bartender in the old Barbary Coast district:

To call San Francisco Frisco just ain't decent.

The visitor found that Frisco is listed as a noun in Webster's New International Dictionary, and is followed by the notation: "San Francisco, a familiar shortening."

But his glee was short-lived. Everyone to whom he mentioned his discovery just "humphed" and said:

"Frisco, a familiar shortening! So's Crisco!"

One-Legged Indians?

In a recent report of honors given Harold L. Ickes during his long service in the cabinet (BW—Jun. 2'45, p. 7), membership in the "Blackfoot" Indian tribe was mentioned. A Montanan was quick to point out:

The official name for the area set aside for this tribe is the Blackfeet reservation. The Indians are none too happy about this, for they really are Piegans, but in the early days they did roam with the true Blackfeet of western Canada so they understand how the confusion was created.

But they do wonder why the modern white man insists on the use of the singular "Blackfoot" when referring to the tribe or to a single Indian. They contend that until a new tribe of one-legged Indians develops; the only proper designation is Blackfeet.

Sudden Dismissals

After 30 years in industry, most of them in a supervisory capacity, a correspondent registers a complaint, and offers some advice to management:

I know of a dozen high-placed superintendents who have been let out without so much as a 24-hour notice. It has happened several times in the last year in this area. While usually this affects only the individual concerned, I believe it does more to promote hatred of the "company" than most realize, and makes workers, supervisors and even superintendents more determined than ever to find some protection.

Recently a nationally known firm that spends thousands of dollars acquainting the public with its many good deeds and its great interest in the public welfare dropped its plant superintendent without a moment's notice. Perhaps he was a poor superintendent, but is it not equally poor management that requires 15 or 20 years to find that out?

Many of the employees hated this man, but these same men dramatized his misfortune to prove their own contention that the company is inhuman. "If they do that to the big guys, what would they do to us if they got the chance?" they ask.

A friend, for 35 years an office manager for another big company, returned from lunch to find a notice on his desk that he was through at 5 o'clock that day. His case, brought out at a union meeting, added another pillar to the workers' cause, and added future voters for more government restrictions on private enterprise.

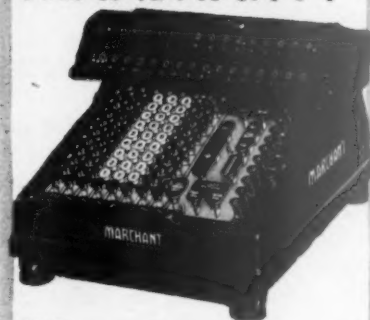
I appreciate that one cannot form an opinion on particular cases without knowing all the facts. My purpose in bringing this practice to your attention is the hope that you may draw the attention of top management to this very unfair dealing with men whom they seem to think have no connection with organized labor. I honestly believe that every superintendent so demoted adds several hundred more to the army that fights "the company."

Undoubtedly, there are many reasons why supervisors have to be replaced on short notice. Often the reason is not announced because of a desire to make job-hunting easier for the individual.

It would seem impossible to draw a rule to cover all cases. But if ill-will is growing under present practices, management might well determine to tell the whole truth in every case, and to be certain to get its story to the workers before the rumor-mongers get busy.



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THE TREND

BIG THREE FACE NEW TEST

On President Truman's desk when he returned to Washington this week was a report from his key advisers warning that political developments in Europe made it imperative that economic relief—particularly in the form of coal—be rushed at once to western Europe.

And in Britain, in the midst of the whirlwind stirred up by the first general election in ten years, politicians paused long enough to summon a nine-power conference to discuss Europe's mounting food crisis. The U. S. echoed the alarm with prompt and vigorous measures to overhaul its whole agricultural production and food allocation program—thus preparing for an international emergency expected to develop next winter.

• **Behind these moves** is a crisis, the seriousness of which is not yet generally comprehended outside government circles.

All of western Europe has been in a state of increasing political unrest since V-E Day.

France welcomed de Gaulle more than a year ago and waited impatiently for the orderly but revolutionary economic changes he had promised in broadcasts from London and Algiers. But he has not carried out his program of nationalizing key industries, except for the coal mines in the north; even there the old managements, subject only to modest control from Paris, are still in the saddle. Since coal is the root of France's economic crisis, de Gaulle's government is now seriously discredited and will be forced by winter either to take drastic action or to run the risk of overthrow (BW—Jun. 16'45, p15).

Belgium faces the same problem, with King Leopold's return to the throne at stake. Though coal is rationed to the last pound in Belgium, strikes have multiplied since V-E Day, and no prime minister has yet had the popular support necessary to sponsor a general election and attempt to put an economic reform program to a parliamentary test.

Even in the Netherlands, though the Queen has returned and is apparently accepted by the people, it is significant that no new government has yet been formed. Though there have been no serious political demonstrations so far, Netherlands business leaders are nervously aware that Holland is going through the longest cabinet crisis in the country's history.

• **Although much more** is behind Europe's political unrest than the temporary, war-born shortages of food, fuel, and transport, these now intensify the troubles.

The 130,000,000 to 150,000,000 people of liberated western Europe have tightly integrated economies built on imports.

France, for instance, normally imported 50,000,000 tons of supplies a year; Belgium, 30,000,000; the Netherlands, 20,000,000; and Italy, 20,000,000. It is doubtful if

any of these countries is getting even 10% of this volume now, and it has been nearer 5% during the important stockpiling months of May and June.

Internal political uncertainties create special despair because they make it impossible for these countries quickly to help themselves back onto their feet.

France, for example, has only 6,000 locomotives out of a prewar total of 16,000.

In 1939, the French had 450,000 freight cars. Now, even with the slow return of rolling stock from Germany, they have only 200,000.

Before the war, there were 500,000 motor trucks in France. Today, only about 125,000 are usable, and many of them are more than ten years old (page 112).

• **British experts** have just completed a study of France's internal production problems and rushed the results to London for the food meeting. One striking example epitomizes the whole problem.

France normally produced 900,000 tons of beet sugar at home. The 1944-45 crop, for various reasons, was large enough to provide only 600,000 tons of sugar. But, because it required 500,000 tons of coal to transport the crop and handle the refining, and because the coal was not available, barely 300,000 tons of refined sugar were produced. As a result the French are asking for sizable sugar imports.

Even before the governments of the Big Three have had time to ratify the charter of the United Nations, a crisis has arisen to test their ability to work together.

If western Europe is to be maintained on an even political keel through another cold, hungry winter, the Big Three must undertake vigorous action immediately.

Truman is submitting in advance to Churchill a pressing request that the British get the Ruhr mines going again. If Churchill's reply is favorable, the same request presumably will be addressed to Gen. de Gaulle with reference to the Saar mines held by the French. Intention is to use German prisoners, under the supervision of Allied zone personnel.

The Soviet Union, with the great food-producing countries of eastern Europe under its control, must see to it that a part of the harvest and some of the coal and oil are shared with old customers in the West.

• **But the main responsibility** will rest on Britain and the U. S. They control the supplies which will have to be shared with Europe; they command the shipping; and they have the biggest stake in maintaining stable and friendly governments along Europe's Atlantic seaboard.

None of the Big Three dares shirk this responsibility if the United Nations organization is to survive its first big test.

The Editors of Business Week

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